



**VILLAGE BOARD OF TRUSTEES  
REGULAR MEETING NOTICE/AGENDA**

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

**JANUARY 23, 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**

**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 – January 9, 2017**

8. **Special Reports**

- a. Update on Alternative Water Supply Agreement by Village Administrator Ralph Czerwinski  
*\*To accommodate schedules of Evanston officials in attendance, leave is requested to allow Resident Comments and Board Action on Resolution 17-03 during Special Reports.*

**Resolution 17-02** *(Introduced January 23, 2017)*

Authorizing the Approval and Execution of a Cost Sharing Agreement Regarding Morton Grove and Niles Water Supply Matters

**Resolution 17-03** *(Introduced January 23, 2017)*

Authorizing the Approval and Execution of a Water Supply Agreement Between the City of Evanston and the Village of Morton Grove and the Village of Niles

**Resolution 17-04** *(Introduced January 23, 2017)*

Authorizing the Approval and Execution of a Professional Services Agreement for Engineering Services for Preparation of Water Supply Corridor and Water Route Study (Village of Morton Grove, Village of Niles, and Stanley Consultants, Inc.)

- b. Kate Paz from Mather Lifeway will present the results of the 2016 “Quality of Life” Survey.
- c. Ginny Ching-Yin Lo of Identity Inc. and Clerk Connie Travis will introduce the 2017 Spring Morton Grove Community Artist Performance scheduled for April 22, 2017.

9. **Public Hearings**

10. **Residents’ Comments (agenda items only)**

11. **President’s Report** – *Administration, Northwest Municipal Conference, Council of Mayors, Strategic Plan, Comprehensive Plan*

- a. Appointment of Nancy Murphy, Jenna Downing and BiJu John to Community Relations Commission

12. **Clerk’s Report** – *Community Relations Commission*

13. **Staff Reports**

- a. **Village Administrator**  
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)*

- b. **Trustee Minx** – *Natural Resource Commission, Plan Commission/Zoning Board of Appeals, Building Department (Trustee Pietron)*
    - 1) **Ordinance 17-02** (*Introduced January 9, 2017*) (*Second Reading*)  
Approving a Special Use Permit for a Massage Establishment at 9400 Waukegan Road
  - c. **Trustee Pietron** – *Public Works Department, Condominium Association, Economic Development Commission, Dempster Street Corridor Plan, Chamber of Commerce (Trustee Minx)*
  - d. **Trustee Ramos** – *Legal, Finance Advisory Commission, Traffic Safety Commission, Waukegan Road TIF, Capital Projects (Trustee Thill)*
    - 1) **Ordinance 17-03** (*Introduced January 9, 2017*) (*Second Reading*)  
Amending Title 5, Chapter 13, Article A, Section 1 Entitled “One-Way Stop Intersections” and Title 5, Chapter 13, Article F, Section 1 Entitled “No Parking Streets” of the Municipal Code of the Village
  - e. **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)*
  - f. **Trustee Witko** – *IT Communications, Strategic Plan Committee, Finance Department, Family and Senior Services Department (Trustee Gear)*
    - 1) **Resolution 17-05** (*Introduced January 23, 2017*)  
Authorizing an Agreement Between the Village of Morton Grove and Mather Lifeways for the Use of the Civic Center for Senior Programming
15. **Other Business**
16. **Presentation of Warrants**    **\$826,377.18**
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.*

**MINUTES OF A REGULAR MEETING OF THE PRESIDENT  
AND THE BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE  
COOK COUNTY, ILLINOIS, HELD AT THE  
RICHARD T. FLICKINGER MUNICIPAL CENTER  
JANUARY 9, 2017**

**CALL TO ORDER**

- I – Village President Dan DiMaria called the meeting to order at 7:00 pm. in the Council
- V. Chambers of Village Hall. He led the Board and assemblage in the Pledge of Allegiance.
- VI. Village Clerk Connie Travis called the roll. Present were: Trustees Bill Grear, Rita Minx, John Pietron, Ed Ramos, John Thill, and Janine Witko.

VII.

**APPROVAL OF MINUTES**

Regarding the December 12, 2016 Regular Board Meeting, Trustee Thill moved to approve the Minutes as presented, seconded by Trustee Minx. **Motion passed unanimously** via voice vote.

VIII.

**SPECIAL REPORTS**

- 1. Fire Department Appointments
- a. Fire and Police Commission Chairman Mike Simkins asked Mayor DiMaria, Fire Chief Frank Rodgers, and Trustee Thill to join him at the podium for the swearing-in of two new firefighter/paramedics and the promotion of three current fire department personnel.
- b. Chief Rodgers welcomed the new hires, commenting that they worked hard to get here. He said it's an overwhelming feeling when you finally make it. Chief Rodgers said the badge the new hires would receive featured the Maltese Cross, and he gave a brief history of that symbolism.
- c. Mr. Simkins called **Scott Adamczyk** to the podium and gave a brief background on him. Scott began his employment with the Village today, and will start his firefighter training at the Northern Illinois Public Safety Training Academy (NIPSTA) on January 16<sup>th</sup>. He was raised in Park Ridge and attended Maine South High School. He graduated from the Carthage College with a Bachelor's degree in Exercise & Sports Science. He earned his Illinois EMT-B license at Oakton Community College, and in 2011, Scott achieved the rank of Eagle Scout.
- d. Scott introduced his sisters and brothers, grandparents, and girlfriend. Mr. Simkins performed the swearing-in, and Scott's girlfriend pinned on his new badge. The Board and assemblage congratulated Scott with a round of applause.

VIII.

**SPECIAL REPORTS** (continued)

- e. Next, Mr. Simkins called **Robert Dentamaro** to the podium. He said that Robert also began his employment with the Village today, and will start his firefighter training at NIPSTA on January 16th. He was raised in Arlington Heights and attended Buffalo Grove High School. He graduated from DePaul University with a Bachelor of Science degree in Business Management. After several years working in the corporate world, he attended classes for his EMT license, and has recently been working as a part-time firefighter for another suburban department.
- f. Rob introduced his parents, grandmother, and girlfriend. Mr. Simkins performed the swearing-in, and Rob's girlfriend pinned on his new badge. The Board and assemblage congratulated Rob with a round of applause.
- g. Chief Rodgers noted that two firefighters are being promoted tonight to Lieutenant. That badge has a trumpet on it and each new Lieutenant will receive a red fire helmet so they are easily distinguished on the fire grounds.
- h. Mr. Simkins invited **Firefighter Sean Brink** and his family to the podium. Sean introduced his sons, parents, father-in-law, and wife. Mr. Simkins provided background on the new Lieutenant. Sean began his career in the fire service with Morton Grove in 2001. He has since obtained numerous certifications, including Advanced Technician Firefighter, Fire Apparatus Engineer, Incident Safety Officer, Fire Officer 2, Instructor 2, and is technician-level training in all technical rescue disciplines.
- i. Mr. Simkins said that Sean is involved in many functions of the fire department. He is a member of the department's technical rescue team, a CPR instructor, and a paramedic preceptor. He also served for 8 years as president of Local 2178. In addition to his duties in the MGFD, Sean works as a part-time instructor for NIPSTA.
- j. Mr. Simkins performed the swearing-in, and Sean's wife pinned on his new badge while the Board and assemblage congratulated him with a round of applause.
- k. Mr. Simkins then asked **Firefighter Michael Littau** and his family to come forward. Mike introduced his son, daughters, sisters, parents, and his wife. Mr. Simkins provided background on Mike: He began his career in the fire service in 1998 as a firefighter with the MGFD. In his 18 years of service, Mike has obtained numerous certifications, including Advanced Technician Firefighter, Fire Apparatus Engineer, Incident Safety Officer, Fire Officer 2, and Instructor 2.
- l. Mike has many responsibilities within the department. He is a fire investigator and represents the department on the MABAS Division 3 communications team. He is also the treasurer for the Morton Grove Firefighters Association, a position he has held for 15 years. Mike was born and raised in Rogers Park and currently lives with his wife and children in Jefferson Park.
- m. Mr. Simkins performed the swearing-in, and Mike's wife pinned on his new badge. The Board and assemblage congratulated him with a round of applause.
- n. Mr. Simkins then invited **Lieutenant Dan Gallagher** and his family to the podium. Dan is being promoted to District Chief and will receive a white helmet, which signifies his leadership and is easily distinguishable on the fire grounds. Dan introduced his brother and sister-in-law, his son, daughter, granddaughter, and wife.

## VIII.

**SPECIAL REPORTS** (continued)

- p. Mr. Simkins gave a brief background on the MGF's newest District Chief. Dan began his career in the fire service in 1988 with the McHenry County Fire Protection District, serving as a paid-on-call firefighter. He served 28 years and retired in June 2016. In 1998, Dan was offered and accepted the position of Firefighter/Paramedic with the Morton Grove Fire Department, and in 2013, promoted to the rank of Lieutenant.
- q. As a 29-year veteran of the fire service, Dan has obtained numerous Fire and EMS certifications, including Advanced Firefighter, Fire Officer 2, Fire Apparatus Engineer, Fire Investigator, Fire Service Instructor 2, Incident Safety Officer, and Paramedic. He is involved in various functions of the fire department, currently serving as the coordinator for the Fire Investigation team, as co-coordinator of the Self-Contained Breathing Apparatus team, and as Paramedic Preceptor. Dan also works as an instructor for NIPSTA.
- r. Mr. Simkins performed the swearing-in, and Dan's wife pinned on his new badge. The Board and assemblage congratulated District Chief Gallagher with a round of applause.
- s. Mr. Simkins thanked Chief Rodgers and his fellow Commissioners for all their hard work, which culminated in these choices of new hires and promotions.

2. Plan Commission Case PC 16-09. Requesting a Special Use Permit for a Massage Establishment at the Address Commonly Known as 9400 Waukegan Road.

- a. Community and Economic Development Director Nancy Radzevich presented this case to the Board. She explained that the Applicant, Bob Xi and the property owner, James Sideris, filed an application for a Special Use Permit to allow for a massage establishment at 9400 Waukegan Road. Hours for the proposed establishment are 10:00 a.m. to 9:00 p.m. Mondays through Saturdays and from noon to 8:00 p.m. on Sundays. The Village's Unified Development Code requires a Special Use Permit for any massage establishment offering full-body massages.
- b. Mr. Xi owns two other Chicago area massage establishments, one in Vernon Hills, and owns other such establishments in Ohio and West Virginia. He estimated that 60% of his business is foot massages and 40% is full-body massages.
- c. Ms. Radzevich said the location has previously been granted two parking waivers due to the mix and intensity of uses. The applicant submitted a new parking/traffic study from KLOA. The study determined that the number of onsite parking spaces is sufficient for the hours and use of this proposed establishment.
- d. Ms. Radzevich said that review by the Appearance Commission was unnecessary, since this case involves no changes to the building façade, and that the Traffic Safety Commission reviewed the case and waived a full Commission hearing. She added that, at the November 21<sup>st</sup> Plan Commission hearing, no public comments were received, and the Plan Commission unanimously recommended approval of this case, with one absent.

## IX.

**PUBLIC HEARINGS**

NONE

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

NONE

XI. **PRESIDENT'S REPORT**

Mayor DiMaria had several announcements:

1. Residents can recycle Christmas trees between January 3 and January 14 by putting the tree out with their regularly-scheduled garbage pickup. Groot will pick up the tree and recycle it.
2. Residents should be aware that the Morton Grove Fire Department will never call you and ask for a donation over the phone. If anyone receives a call like that, it's a scam!
3. The Community Relations Commission's winter photo contest is now underway. More details can be found on the Village's website.
4. The Village is pleased to offer the program "Senior Issues, Etc." on Comcast channel 6 and on U-Verse channel 99. More programming information is available on the Village's website.
5. Mayor DiMaria said that today is National Law Enforcement Appreciation Day, and commented that Morton Grove has wonderful men and women in blue. He led the Board and assemblage in a round of applause for Police Chief Mike Simo and the members of the Morton Grove Police Department.
6. Mayor DiMaria called everyone's attention to the new plaque above the dais, which features the new Village logo and tagline. He felt it was vibrant and lively, and remarked that the new logo and tagline are slowly getting worked into the Village's various print and online media. He thanked everyone who worked on this initiative.
7. Mayor DiMaria wished one and all a happy new year and said he hoped everyone would achieve their goals this year.

XII. **CLERK'S REPORT**

Clerk Travis noted that the Community Relations Commission will have its first meeting of the year tomorrow night at 6:30 p.m. in the Scanlon Conference Room on the second floor of Village Hall. The public is welcome and encouraged to attend.

XIII.

**STAFF REPORTS**A. Village Administrator:

Village Administrator Czerwinski wished everyone a happy new year, filled with health and bounty. He said he hoped everyone would enjoy their community and their families.

B. Corporation Counsel:

Corporation Counsel Liston had no report.

XIV.

**TRUSTEES' REPORTS**A. Trustee Gear:

Trustee Gear had no report.

B. Trustee Minx:

1. Trustee Minx introduced for a first reading **Ordinance 17-02, An Ordinance Approving a Special Use Permit for a Massage Establishment at 9400 Waukegan Road, Morton Grove, Illinois.**

She explained that this Ordinance is pursuant to Plan Commission Case PC 16-09, reported out earlier this evening.

As this is a first reading, no action will be taken this evening.

2. Trustee Minx wished everyone a happy, healthy, and safe New Year.

C. Trustee Pietron:

1. Trustee Pietron presented **Ordinance 16-29, Amending Title 5, Chapter 13, Article F, Section 4 Entitled "Restricted Parking Streets" of the Municipal Code of the Village of Morton Grove.**

This is the second reading of this Ordinance.

- a. Trustee Pietron explained that the Village has a long-standing policy of discouraging on-street parking by train commuters and encouraging commuters to park at the train station. Narragansett Avenue from Capulina Avenue to Hennings Court is very close to the train station, but has no parking regulations to discourage commuters parking. The south side of Capulina Avenue from Narragansett to Ferris Avenue also has no parking regulations to discourage commuter parking, and commuters are parking on this segment.



XIV.

**TRUSTEES' REPORTS** (continued)C. Trustee Pietron: (continued)

- b. Trustee Pietron said that the Police Chief enacted a temporary parking regulation in October of 2016 to prohibit parking for more than 3 hours except for vehicles displaying a Zone 5 special parking permit. Village staff has not heard any complaints about the parking regulation.
- c. Trustee Pietron said the Traffic Safety Commission reviewed a request from Village staff at its December meeting to make these temporary parking regulations permanent. The Commission recommended making the temporary parking regulations permanent, except the regulation should only be in effect from Monday through Friday.

Trustee Pietron said the economic impact of this ordinance is about \$300 to replace 8 signs.

Trustee Pietron moved to adopt Ordinance 16-29, seconded by Trustee Gear.

**Motion passed: 6 ayes, 0 nays.**

Tr. Gear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

- 2. Trustee Pietron wished a happy and prosperous New Year to all.

D. Trustee Ramos:

Trustee Ramos presented for a first reading **Ordinance 17-03, Amending Title 5, Chapter 13, Article A, Section 1 Entitled "One-Way Stop Intersections," and Title 5, Chapter 13, Article F, Section 1 Entitled "No Parking Streets" Of the Municipal Code of the Village of Morton Grove.**

- a. He explained that this ordinance would refine parking restrictions on the new configuration of Theobald Road, Mango Avenue, and South Park Avenue near the location where these streets previously intersected.
- b. He said that Resolution 16-40 authorized improvements at the intersection of Theobald, Mango, and South Park Avenue to improve vehicle movements and to shorten the crossing for pedestrians. These improvements have created a need to consider whether to, and how to, redefine parking regulations and traffic control near this location.
- c. Trustee Ramos said that, at its December 2016 meeting, the Traffic Safety Commission considered a request for parking restrictions and traffic control on Theobald Road between Menard Avenue and Major Avenue and near the intersection of Mango Avenue and South Park Avenue. There is a one-way stop sign on northbound Mango at South Park and on westbound South Park at Theobald. There is an existing parking regulation on the south side of Theobald from the centerline of Mango to a point 195 feet east of the centerline of Mango.
- d. The Commission recommended eliminating the stop sign restriction at South Park and Mango, and further recommended amending the existing parking restrictions to extend them on the south side of Theobald to include the driveway west of the crosswalk, and to prohibit parking

XIV.

**TRUSTEES' REPORTS** (continued)D. Trustee Ramos: (continued)

on the north side of Theobald between the driveways east and west of the crosswalks, as well as on both sides of the curve where Mango Avenue meets South Park Avenue. This ordinance is intended to codify the recommendations of the Traffic Safety Commission.

Trustee Ramos said that, as this is a first reading, no action will be taken this evening.

E. Trustee Thill:

1. Trustee Thill had no formal report, but noted that the program "Senior Issues, Etc." found on Comcast channel 6 and U-Verse channel 99, is not just for seniors only. Residents can watch and be informed, so that they, in turn, can inform senior friends and neighbors who may not see or have access to the programming.
2. Trustee Thill also noted that the Village's Advisory Commission on Aging needs more members. He said the Commission is down to about five people now, and it's supposed to have seven members. You don't have to be a senior to serve on this Commission!

F. Trustee Witko:

Trustee Witko presented **Resolution 17-01, Authorizing the Execution of a Contract With Lauterbach & Amen, LLP To Perform Auditing Services.**

- a. She explained that the Village issued a request for qualifications upon which to base the selection process for auditing services. The Village received five proposals, which were reviewed and evaluated by staff. Lauterbach & Amen, LLP was found to be the preferred auditing firm to validate the integrity of the Village's financial statements. Their proposal is for auditing services for a four-year period beginning December 31, 2016 through December 31, 2019. The total four year cost will be \$137,460, which will be paid from the Village's General Fund and the Water Fund.

Trustee Witko moved, seconded by Trustee Thill, to approve Resolution 17-01.

**Motion passed: 6 ayes, 0 nays.**

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

- b. Trustee Pietron commented that it's a very good idea to change auditing firms every several years.
- c. Trustee Ramos asked why this would be paid from the General Fund and the Water Fund.
- d. Mr. Czerwinski responded that those are the two major accounts being audited, so they each pay their own. Finance Director Hanna Sullivan agreed that that's where most of the auditing work is done.

XIV. TRUSTEES' REPORTS (continued)F. Trustee Witko: (continued)

- e. Mr. Czerwinski added that it wouldn't be right to pay for the Water Fund audit out of the General Fund or to pay for the General Fund audit from the Water Fund.

XV. OTHER BUSINESS

NONE

XVI. WARRANTS

Trustee Witko presented two Warrant Registers this evening. The first was the Warrant Register for December 26, 2016, in the amount of \$1,875,402.94. She moved that the Warrants be approved as presented. Trustee Minx seconded the motion.

**Motion passed: 6 ayes, 0 nays.**

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

Trustee Pietron commented that, included in that Warrant Register was \$750,000 to pave roads and \$300,000 for one month of water from the City of Chicago. He said he felt the public should be aware of this.

The second Warrant Register was for January 9, 2017, in the amount of \$187,610.96. Trustee Witko moved, seconded by Trustee Thill, to approve the Warrants as presented.

**Motion passed: 6 ayes, 0 nays.**

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

XVII. RESIDENTS' COMMENTS

1. **Nancy Lanning** thanked the residents for all the beautiful Christmas decorations they displayed this year. She often takes fellow seniors out for a drive to see the Christmas lights and this year, they were exceptionally beautiful.

XVIII. ADJOURNMENT

Trustee Minx moved to adjourn the meeting, seconded by Trustee Thill.

**Motion passed: 6 ayes, 0 nays.**

Tr. Grear	<u>aye</u>	Tr. Minx	<u>aye</u>	Tr. Pietron	<u>aye</u>
Tr. Ramos	<u>aye</u>	Tr. Thill	<u>aye</u>	Tr. Witko	<u>aye</u>

The meeting adjourned at 7:48 p.m.

PASSED this 23rd day of January, 2017.

Trustee Grear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

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

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Daniel P. DiMaria, Village President  
Board of Trustees, Morton Grove, Illinois

APPROVED and FILED in my office this 24th day of January, 2017.

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

Minutes by: Teresa Cousar

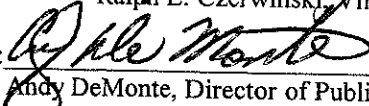
Legislative Summary

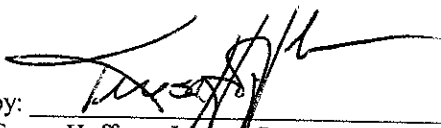
Resolution 17-02


**AUTHORIZING THE APPROVAL AND EXECUTION OF A COST SHARING AGREEMENT  
REGARDING MORTON GROVE AND NILES WATER SUPPLY MATTERS**

<b>Introduced:</b>	January 23, 2017
<b>Synopsis:</b>	This Resolution will authorize an Agreement between the Villages of Niles and Morton Grove to share and allocate professional service costs to study, analyze and negotiate an agreement to purchase water from the City of Evanston and for consulting and engineering services to evaluate water delivery routes and systems and evaluate, identify, and recommend options for the design, finance, and construction of a water delivery system from the City of Evanston to Morton Grove and Niles.
<b>Background:</b>	<p>The Villages of Morton Grove and Niles have worked together since 2013 to evaluate alternative suppliers and delivery systems for the purchase of safe reliable Lake Michigan water from a more cost effective source than the City of Chicago. This month the Villages expect to enter into a water supply agreement with the City of Evanston which is estimated to save the Villages over \$200 million dollars during the next 40 years.</p> <p>To date, the Villages have engaged the services, of engineers, project managers, special legal counsel, financial advisers and other consultants to assist them in this project, and shall continue to need and utilize such professional services until the project is completed. This Resolution will authorize an Agreement whereby each Village shall pay for fifty (50%) percent of the costs for these services until bonds are issued for this project. The Villages shall be reimbursed for costs they have paid/advanced for this project from the bonds. The debt service for the bonds as well as the costs to operate and maintain the Village's joint water systems shall be paid from the sale of water to customers in Niles and Morton Grove with each Village to pay a percentage of these costs based on its actual water consumption, which shall be adjusted annually.</p>
<b>Departs Affected:</b>	Legal, Administration, and Finance Departments
<b>Fiscal Impact:</b>	The Village expects to incur approximately \$550,000 in preliminary engineering and professional service fees until bonds are issued.
<b>Source of Funds:</b>	Enterprise Fund (to be reimbursed from bond proceeds)
<b>Work Impact:</b>	The Village Administrator Finance Director and Corporation Counsel will oversee the implementation of the Agreement.
<b>Admin Recommend:</b>	Approval as presented.
<b>First Reading:</b>	Not required.
<b>Special Consider or Requirements:</b>	None

Respectfully submitted:   
Ralph E. Czerwinski, Village Administrator

Reviewed by:   
Andy DeMonte, Director of Public Works

Prepared by:   
Teresa Hoffman Liston, Corporation Counsel

Reviewed by:   
Hanna Sullivan, Finance Director

## RESOLUTION 17-02

### **AUTHORIZING THE APPROVAL AND EXECUTION OF A COST SHARING AGREEMENT REGARDING MORTON GROVE AND NILES WATER SUPPLY MATTERS**

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule unit of government under the provisions of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, the President and Board of Trustees of the Village of Morton Grove, a home rule Illinois Municipal Corporation (Morton Grove), desire to approve and enter into an agreement entitled “*Cost Sharing Agreement Regarding Morton Grove and Niles Water Supply Matters*” (the Agreement) in substantially the same form as the Agreement attached hereto as Exhibit “A” and made a part hereof; and

WHEREAS, the Agreement pertains to the allocation of costs between Morton Grove and the Village of Niles with respect to the costs of studying, analyzing and negotiating agreements, regarding certain water supply matters involving the Village of Morton Grove and the Village of Niles; and

WHEREAS, The President and Board of Trustees of the Village of Morton Grove have the authority to enter into the Agreement 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 (5ILCS 220/1, et seq.) and the Illinois Municipal Code (65ILCS 5/1, et seq.), and find that entering into the Agreement is in the best interests of the Village of Morton Grove.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The President and Board of Trustees of the Village of Morton Grove authorize the approval of the economic terms and the attached form of an agreement entitled *Cost Sharing Agreement Regarding Morton Grove and Niles Water Supply Matters* for the purposes set forth in the Agreement, attached hereto as Exhibit A. The President and Board of Trustees of the Village of Morton Grove authorize and direct the Village Administrator, or his designee, to execute the final version of the Agreement, 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 Agreement.

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

PASSED this 23<sup>rd</sup> day of January 2017.

Trustee Gear	_____
Trustee Pietron	_____
Trustee Minx	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED by me this 23<sup>rd</sup> day of January 2017.

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

APPROVED and FILED in my office  
this 24<sup>th</sup> day of January 2017.

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

**EXHIBIT "A"**

**COST SHARING AGREEMENT REGARDING  
MORTON GROVE AND NILES WATER SUPPLY MATTERS**

(attached)



**COST SHARING AGREEMENT REGARDING  
MORTON GROVE AND NILES WATER SUPPLY MATTERS**

This **COST SHARING AGREEMENT REGARDING MORTON GROVE AND NILES WATER SUPPLY MATTERS** is made and entered into this 23rd day of January 2017 (the "Effective Date"), by and between the Village of Morton Grove, an Illinois municipal corporation ("Morton Grove") and the Village of Niles, an Illinois municipal corporation ("Niles") (collectively, the "Villages"), (the "Agreement"), for the purpose of allocating and sharing the costs and obligations relating to engineering, finance projections, legal, planning, water system operations and other consultant costs provided to the Villages regarding certain water supply matters involving the Villages. The Villages agree as follows:

**RECITALS:**

**WHEREAS**, the Villages have determined that there is a need to jointly cooperate and share the costs of studying, analyzing and negotiating agreements relating to 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, as more fully defined in Section 2(A) below, including but not limited to a proposed water supply agreement with one or more Illinois municipalities, the possible creation of a joint action water agency or municipal water commission by and among the Villages, including the actual acquisition, construction and operation of some or all of a common source of supply of water and related joint waterworks system, and other water supply issues related thereto (the "Project"). The Villages are collectively referred to below at times as "MG-N", which describes them acting together or as members of a proposed joint action water agency or a municipal water commission or an entity created by an intergovernmental agreement; and

**WHEREAS**, Morton Grove and Niles have taken all necessary corporate actions to authorize the Village Administrator of Morton Grove (Ralph Czerwinski, or his successor) and the Village Manager of Niles (Steven Vinezeano, or his successor) (together the "Village Management Staff") to approve and enter into this Agreement on behalf of the Villages. This Agreement is authorized and entered into in accordance with applicable State laws, including Article VII, Section 10 of the 1970 Constitution of the State of Illinois, the Illinois Intergovernmental Cooperation Act (5 ILCS 220/1, *et seq.*) and the Illinois Municipal Code (65 ILCS 5/1, *et seq.*).

**NOW, THEREFORE**, in consideration of the mutual agreements, obligations and covenants set forth in this Agreement, and upon the further consideration stated in the foregoing Recitals, it is agreed by the Villages as follows:

**Section 1. Incorporation.** The above Recitals are incorporated by reference into this Section 1.

**Section 2. Sharing of Costs and Obligations.** The Villages agree to allocate and share the following costs and obligations:

**A. Scope of Project.**

The Villages shall share the costs of the Project in accordance with the terms of this

Agreement. The Villages shall share in all costs provided for under this Agreement relating to the following categories of water supply matters:

1. The study, analysis, and negotiation of water supply agreements between the Villages and one or more Illinois municipalities;
2. The study and analysis of options, projections and schedules for financing any water system improvements associated with the Project;
3. The study, analysis, negotiation and creation of a joint action water agency or a municipal water commission by and among Morton Grove and Niles, and possibly other Illinois municipalities; and
4. The study, analysis, negotiation and completion of land acquisition, easement, zoning or other land use matters regarding the Project.

The Village Management Staff, in their discretion, may by mutual agreement add additional categories to the scope of the Project, by execution of an addendum to this Agreement.

#### **B. Engineering, Planning and Outside Consultant Project Costs.**

The Villages agree to share the engineering, planning and outside consultant costs for the Project, with Morton Grove being responsible for fifty percent (50%) and Niles being responsible for fifty percent (50%), respectively, of the costs of engineering, planning and outside consultant services for the Project, which consist of the categories of costs set forth below (the "Project Costs"):

1. Any water system engineering and design matters;
2. Any water system operational and technical matters;
3. Special legal counsel retained by Morton Grove and Niles, including but not limited to, Klein, Thorpe and Jenkins, Ltd. ("KTJ") and Schain Burney;
4. Consulting firms retained by Morton Grove and Niles, including but not limited to WRB, LLC; and
5. Municipal finance firms retained by Morton Grove and Niles.

The Village Management Staff, in their discretion, may by mutual agreement add additional categories of Project Costs, by execution of an addendum to this Agreement. The Village Management Staff are authorized to execute any such addenda.

#### **C. Payment Schedule for Project Costs.**

Each of the Villages agrees to directly pay their respective share of the Project Costs under this Agreement to the vendors issuing invoices to the Villages for the Project Costs, as the Project Costs come due.

#### **D. Reimbursement for Project Costs.**

In the event bonds, or other debt, are issued relative to the Project ("Project Bonds"), and so long as the Project Costs are allowable uses of the proceeds of the Project Bonds, Morton Grove and Niles shall each be reimbursed from the proceeds of the Project Bonds for the Project Costs paid by each, respectively. In addition, to the extent some or all of the proceeds of the Project Bonds are not eligible to or sufficient to repay all of the Project Costs, upon creation of a joint action water agency or a municipal water commission or an entity created by intergovernmental agreement and the acquisition, construction and operation of a common source of supply of water and related joint waterworks system, Morton Grove and Niles agree that a portion of the water revenues from such joint waterworks system will be used to repay the Project Costs. If Morton Grove and Niles decide not to pursue the Project to completion, then they agree to share equally (fifty percent (50%) / fifty percent (50%) basis) all of the incurred Project Costs.

### **Section 3. Project Bonds Issuance and Repayment.**

#### **A. Cooperation.**

The Villages shall cooperate and use their best efforts to determine whether the Project Bonds should be issued, and if so, investigate, negotiate, draft and consider approval of such agreements, covenants, ordinances, resolutions, and other undertakings as may be necessary or advisable with respect to the Project Bonds.

#### **B. Agreement to Purchase Water From Agreed Upon Supplier(s).**

Except for water purchased through emergency water connections for temporary emergency water needs (e.g., active firefighting or temporary restriction imposed by water supplier due to an unforeseen condition or emergency), the Villages agree that they shall purchase their full water requirements for their respective communities from agreed upon water supplier(s) through their joint waterworks system to be operated by the proposed joint action water agency or municipal water commission.

#### **C. Allocation of Joint Water System Costs and Repayment of the Project Bonds.**

If the Project Bonds are issued and the joint waterworks system is operational, the Villages shall repay the Project Bonds and Joint Water System Costs as follows, subject to amendment(s) to this Agreement, made in accordance with Section 4(D) below, to make the terms of this Agreement consistent with any later agreement(s) of the Villages regarding the repayment of the Project Bonds:

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, shall be paid by Morton Grove and Niles based on an annually determined "MG-N Cost of Water per 1,000 Gallons" for the joint water system calculated as follows and paid based on actual water consumption through the joint water 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 the 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 MG-N joint waterworks 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 joint waterworks 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 3(C): the MG-N Cost of Water/1,000 Gallons Calculation; and the End of Fiscal Year True-Up Calculation.

As part of the issuance of Project Bonds, the Villages agree to create and fund a capitalized interest account using a portion of the Project Bond proceeds for purposes of paying any preliminary Annual Debt Service Payments that may come due prior to the completion of the Project. To the extent allowable in the authorizing and issuing documents for the Project Bonds, the Villages further agree to provide for the commencement of Annual Debt Service Payments after the completion of the Project so that water revenue from the MG-N joint waterworks 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.

#### **Section 4. General Provisions.**

- A. Term.** The term of this Agreement shall commence on its Effective Date and continue until its mutual termination by the Villages, or termination by one or more of the Villages, upon sending written notice of its/their withdrawal from the Agreement.
- B. Termination.** Upon the termination of this Agreement, the Villages shall pay their respective portion of the Project Costs incurred during the term of this Agreement through the date of termination. Termination of this Agreement shall not relieve either Village from its obligation to repay any outstanding Project Bonds.
- C. Notice.** All notices and other communications required or permitted under this Agreement shall be in writing and may be personally delivered, faxed, e-mailed or sent by first class mail, postage prepaid, addressed to the Village Management Staff at their business mailing address and electronic telecommunications contact information. All notices and other communications required or permitted under this Agreement shall be deemed to have been received on the day when personally delivered, faxed, e-mailed or three (3) calendar days after being mailed, as the case may be.

- D. Complete Agreement.** This Agreement contains the entire understanding between the Villages and supersedes any prior understanding or written or oral agreements between them with respect to the subject matter of this Agreement. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Villages relating to the subject matter of this Agreement which are not fully expressed herein. No oral modification, amendment or change shall be allowed to this Agreement. Any modification, amendment or change to this Agreement shall be in writing and approved and executed by the Village Management Staff.
- E. Severability.** If any provision of this Agreement or the application of any such provision to either Village shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement shall not be affected, and each remaining provision of this Agreement shall be considered valid and shall be enforced to the fullest extent permitted by law.
- F. Consent to Waiver of Conflict of Interest.** Before the Effective Date, the Villages have consented to and agreed in writing that KTJ shall act as special legal counsel to, and represent, both the Villages with regard to certain aspects of the Project, and KTJ that shall handle legal matters pertaining to the Project.

**IN WITNESS WHEREOF,** the Corporate Authorities of the Village of Morton Grove and the Corporate Authorities of the Village of Niles have approved this Agreement and directed that this Agreement be signed on their behalf by their respective Village Management Staff, on the days and year written below. The Effective Date of this Agreement shall be the date the last signatory signs this Agreement, which date shall be entered on page 1 hereof.

**SIGNATURE PAGE TO FOLLOW**

**SIGNATURE PAGE**

**VILLAGE OF MORTON GROVE**

By: \_\_\_\_\_  
Ralph E. Czerwinski  
Village Administrator

\_\_\_\_\_  
Connie Travis  
Village Clerk

Date: January 23, 2017

Date: January 23, 2017

**VILLAGE OF NILES**

By: \_\_\_\_\_  
Steven Vinezeano  
Village Manager

\_\_\_\_\_  
Marlene Victorine  
Village Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit "A"**

"Example Formulas" Relating to Section 3(C) Calculations:

MG-N Cost of Water/1,000 Gallons

and

End of Fiscal Year True-Up Calculation

(attached)

Exhibit "A" to 2017 Cost Sharing Agreement Regarding  
Morton Grove And Niles Water Supply Matters

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

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

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

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

- 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



**Legislative Summary**

**Resolution 17-03**

**A RESOLUTION AUTHORIZING THE APPROVAL AND EXECUTION OF  
A WATER SUPPLY AGREEMENT BETWEEN THE CITY OF EVANSTON AND  
THE VILLAGE OF MORTON GROVE AND THE VILLAGE OF NILES**

**Introduced:** January 23, 2017

**Synopsis:** This Resolution will authorize a 40 year water supply agreement among the city of Evanston and the Villages of Niles and Morton Grove

**Background:** The Villages of Niles and Morton Grove currently purchase water from the City of Chicago. Morton Grove's current 10-year contract with Chicago expires in 2018 and Niles' contract expires in 2019. The contract allows the City of Chicago to unilaterally determine the water rate paid by the Village. Since 2008, the water rate charged by Chicago has risen by 114%. Because of these large and unpredictable rate increases Niles and Morton Grove ("MG-N") began working together in 2013 to evaluate alternative water supply options.

In 2014 MG-N received proposals for long-term water supply agreements from the City of Evanston and the Villages of Wilmette and Glenview. Morton Grove also received an individual proposal from Wilmette/Glenview. Each proposal offered a safe, high quality, reliable supply of Lake Michigan water, but the proposal from Evanston offered the best long term savings.

Evanston and MG-N have negotiated a 40-year water supply agreement which includes two ten-year extensions at the option of MG-N. The rate charged by Evanston is determined by a fixed formula whereby MG-N will pay a percentage of the cost to operate, maintain and update the Evanston water treatment facility plus an agreed rate of return. The initial 2019 Evanston water rate is expected to be \$.81 per 1,000 gallons. By comparison, if Chicago raises its water rate 2% per year, its 2019 rate will be \$4.04 per thousand gallons. MG-N will need to construct transmission mains and other infrastructure to transport the water from Evanston to Morton Grove and Niles. The cost to design and construct this infrastructure is conservatively estimated at approximately \$90,000,000, which will be financed by bonds. After adding the infrastructure construction and operations costs to the Evanston wholesale water rate, the total Evanston rate is projected to be \$3.47 in 2019. Over 40 year, Morton Grove is expected to save over \$98 million dollars from this agreement (assuming Chicago raises its rate by only 2% each year).

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

**Fiscal Impact:** A lower water rate will allow the Village to invest additional funds to upgrade and maintain its local water infrastructure, as well as provide stable rates to residents and local businesses.

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

**Work Impact:** The Village Administrator Public Works Director, Village Engineer, Finance Director and Corporation Counsel will oversee the implementation of the Agreement.

**Admin Recommend:** Approval as presented.


**First Reading:** Not required.

**Special Consider or Requirements:** None

Respectfully submitted:   
Ralph E. Czerwinski, Village Administrator

Prepared by:   
Teresa Hoffman Liston, Corporation Counsel

Reviewed by:   
Mike Monte, Village Engineer

Reviewed by:   
Dan Sullivan, Finance Director

## RESOLUTION 17-03

### **A RESOLUTION AUTHORIZING THE APPROVAL AND EXECUTION OF A WATER SUPPLY AGREEMENT BETWEEN THE CITY OF EVANSTON AND THE VILLAGE OF MORTON GROVE AND THE VILLAGE OF NILES**

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule government under the provision of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

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 analyses 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) on January 23, 2017, as approved by Morton Grove Resolution 17-02 on January 23, 2017, and as approved by Niles by Resolution on January 24, 2017; and

WHEREAS, as set forth in the Cost Sharing Agreement, Morton Grove and Niles (collectively, the Villages) determined 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 different options for water supply agreements for the Villages with one or more Illinois municipality(ies), the Villages have determined it is in their best interests to jointly enter into a Water Supply Agreement with the City of Evanston ("Evanston"), in order that the Villages and their respective water customers receive an adequate supply of water from Evanston; and

WHEREAS, Morton Grove desires to approve and enter into an Agreement entitled "*Water Supply Agreement between the City of Evanston and the Village of Morton Grove and the Village of Niles*" (the Agreement) for the purposes set forth in the Agreement in substantial conformity with Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Section 4 of the Agreement (Commencement of Obligation to Deliver and Receive Water) sets forth the obligations of the Villages and Evanston with regard to the design and construction work needed prior to commencement of the delivery of water from Evanston to the Villages under the Agreement; and

WHEREAS, Section 5 of the Agreement (Rate) provides for the cost of the water sold by Evanston and paid for by the Villages, and the means by which the rate for water sold under the Agreement is calculated; and

WHEREAS, Section 7 of the Agreement (Water Supply; Allocation; Distribution) provides for Evanston to sell and deliver water to the Villages, and for the Villages to purchase and receive water from Evanston; and

WHEREAS, the Villages are still evaluating options for jointly acquiring and operating a common source of supply of water and a related waterworks system, in order to connect their respective waterworks systems to the waterworks system of Evanston, and the Villages may 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.*) in furtherance thereof, to be known as the “MG-N Water Commission”; and

WHEREAS, in the event the Villages create the MG-N Water Commission, Section 15 of the Agreement (MG-N Option to Create a JAWA or a Water Commission; Assignment) provides for the automatic assignment of the Villages’ rights and obligations under the Agreement to the MG-N Water Commission, and the Villages shall have no further rights or obligations under the Agreement; and

WHEREAS, the President and Board of Trustees of the Village of Morton Grove have the authority to enter into an Agreement pursuant to Morton Grove’ 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.*) and the Illinois Municipal Code (65 ILCS 5/1, *et seq.*), and find entering into the Agreement is in the best interest of Morton Grove.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, ILLINOIS, AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing whereas clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The President and Board of Trustees of the Village of Morton Grove authorize the approval of the economic terms and the attached form of an agreement entitled *Water Supply Agreement Between The City Of Evanston And The Village Of Morton Grove And The Village Of Niles* (the “Agreement”) for the purposes set forth in the Agreement, attached hereto as Exhibit “A”. The President

and Board of Trustees of the Village of Morton Grove authorize and direct the Village Administrator, or his designee, to execute the final version of the Agreement, 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 Agreement.

SECTION 3: The President and Board of Trustees of the Village of Morton Grove authorize and direct the Village Administrator, or his designee, to execute said Agreement, and to execute and deliver all other instruments and documents and pay all costs necessary to fulfill Morton Grove's obligations under the Agreement.

SECTION 4: This resolution shall be in full force and effect upon its passage and approval.

PASSED THIS 23<sup>rd</sup> day of January 2017.

Trustee Grear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED by me this 23<sup>rd</sup> day of January 2017

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

APPROVED and FILED in my office this  
24<sup>th</sup> day of January 2017.

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

**EXHIBIT "A"**

**WATER SUPPLY AGREEMENT BETWEEN THE CITY OF EVANSTON  
AND THE VILLAGE OF MORTON GROVE AND THE VILLAGE OF NILES**

(attached)

**DRAFT FOR DISCUSSION PURPOSES ONLY, SUBJECT TO FURTHER  
NEGOTIATION AND MODIFICATION**

**WATER SUPPLY AGREEMENT BETWEEN  
THE CITY OF EVANSTON AND  
THE VILLAGE OF MORTON GROVE AND  
THE VILLAGE OF NILES**

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## **Background**

The City of Evanston ("Evanston") is the owner and operator of a water intake, filtration, treatment and pumping plant (the "Water Plant") located at 555 Lincoln Street, Evanston, Illinois. The Water Plant is on the shore of Lake Michigan and Evanston draws water from Lake Michigan for Evanston's drinkable water, firefighting and fire protection needs for its community, and for distribution and resale to its customers ("Evanston Water Utility"). The Village of Morton Grove ("Morton Grove") and the Village of Niles ("Niles") (collectively, "MG-N") want to purchase drinkable Lake Michigan water from the Evanston Water Utility for the uses specifically allowed by this Agreement, including but not limited to, distribution and sale to customers of the Morton Grove and Niles water systems, respectively.

### **1. Parties**

#### **1.01 Parties**

The parties to this Water Supply Agreement ("Agreement") are Evanston, Morton Grove, and Niles, who are at times referred to in this Agreement as a "Party" or collectively as the "Parties".

### **2. Initial Term of Agreement; Extended Term; Service Year; Fiscal Year**

#### **2.01 Initial Term**

Because of the significant financial commitment and debt obligations that MG-N is making and incurring to expand its respective water systems to connect to the Evanston Water Utility under the terms of this Agreement, the Initial Term ("Initial Term") shall commence on the Effective Date of this Agreement (as defined in Section 19.16 (Effective Date)) and shall end at 11:59 p.m. on December 31, thirty nine (39) years after the Effective Date of this Agreement.

#### **2.02 Extended Term**

The Initial Term of this Agreement shall be extended for up to two (2) consecutive terms (generally referred to as an "Extended Term" or specifically referred to as the "First Extended Term" and the "Second Extended Term") in the sole discretion of MG-N, upon written notice by MG-N delivered to Evanston in writing not less than five (5) years prior to the termination date

of the then-existing Term. The First Extended Term and the Second Extended Term will each be ten (10) years in length, unless MG-N delivers notice of its intention to not extend the Initial Term or any Extended Term of this Agreement. If MG-N elects to extend this Agreement for the Second Extended Term, then this Agreement shall renew automatically at the end of the Second Extended Term at ten (10) year intervals thereafter, unless either Party conveys written notice of its intention to terminate this Agreement not less than five (5) years prior to the termination date of the then-existing Term.

### **2.03 Service Year; Fiscal Year**

Each Service Year (“Service Year”) under this Agreement will be the time period of January 1<sup>st</sup> to December 31<sup>st</sup>. Each Fiscal Year (“Fiscal Year”) under this Agreement will be the time period of January 1<sup>st</sup> to December 31<sup>st</sup>.

## **3. Water Defined**

### **3.01 Water Defined**

In this Agreement, Water means Lake Michigan water that is safe for human consumption (i.e. drinkable water) and that meets or exceeds the requirements of any current or successor federal, state of Illinois, or local agency or governmental authority having jurisdiction over the operation of public water supplies. Evanston shall supply water that is like kind and quality with that supplied by Evanston to its other customers. Whether “water” is capitalized in this Agreement or not, it shall have the meaning set forth in this Section.

## **4. Commencement of Obligation to Deliver and Receive Water**

### **4.01 MG-N Notice to Evanston to Proceed with Preliminary Project Phase Work**

Not more than thirty (30) calendar days after MG-N awards the corridor and route study relative to identifying the optimum MG-N water transmission route from the Point of Delivery (defined in Section 6.01 (Water System Definitions and Related Terms)) between the Evanston Connection Facilities and the MG-N Water System, MG-N shall deliver to Evanston in writing a notice to proceed on preliminary design of the Evanston Connection Facilities.

#### **4.02 MG-N Notice to Evanston to Proceed with Final Engineering Design**

Not more than thirty (30) calendar days after MG-N awards the final engineering design work for the MG-N Water System, MG-N shall deliver to Evanston in writing a notice to proceed on final engineering design of the Evanston Connection Facilities.

#### **4.03 MG-N Notice to Evanston to Proceed with Construction**

Not more than thirty (30) calendar days after MG-N awards the first construction contract relative to the construction of the MG-N Water System, MG-N shall deliver to Evanston in writing a notice to proceed on construction of the Evanston Connection Facilities.

#### **4.04 Delivery Date**

Evanston shall deliver water to MG-N, or to Morton Grove or to Niles on a date mutually agreed by the Parties, but no later than one hundred and twenty (120) calendar days of receiving written notice from MG-N (or Morton Grove or Niles) that MG-N (or Morton Grove or Niles) is ready to receive water.

#### **4.05 MG-N Payment for Water; Water During Construction**

Except for water usage during construction and testing of the Project improvements, MG-N shall not be responsible to pay for any water charges under this Agreement until the improvements and construction at the Point of Delivery, are completed, and until Evanston delivers water to MG-N or Morton Grove or Niles for resale to its customers. During the construction and testing of the improvements at the Point of Delivery, Evanston will charge MG-N for its water usage at the water rates and charges identified in Section 4.07 (Water Rate Payable to Evanston in Service Years 2018, 2019, and 2020) of this Agreement.

#### **4.06 Phased Water Delivery to Morton Grove and Niles**

Due to separate, existing water supply contract obligations of Morton Grove and Niles with the City of Chicago, Morton Grove may elect, by sending written notice pursuant to Section 4.04 (Delivery Date) to receive water under this Agreement before Niles receives water from Evanston. If Morton Grove elects to receive water under this Agreement before Niles, all water

charges incurred by Morton Grove shall be due and owing to Evanston solely from Morton Grove, not Niles. If Niles elects to receive water from Evanston before Morton Grove, then the notice and payment obligations set forth in the preceding sentences applicable to Morton Grove shall apply to Niles. From and after the date that both Morton Grove and Niles are receiving water under this Agreement, the water charges shall be the responsibility of MG-N.

#### **4.07 Water Rate Payable to Evanston in Service Years 2018, 2019, and 2020**

The Parties agree that the identification of the total equivalent water rate payable to Evanston per 1,000 gallons supplied to MG-N in Service Years 2018, 2019, and 2020 will be as follows:

Service Year	MG-N Not to Exceed Rate	Morton Grove Only Not To Exceed Rate	Niles Only Not To Exceed Rate
2018	\$ 0.78	\$ 0.84	\$ 0.85
2019	\$ 0.81	\$ 0.86	\$ 0.87
2020	\$ 0.94	\$ 1.01	\$ 1.01

The above rates may be adjusted down based on final rate calculations as provided for in Section 5 (Rate). The rate charged to MG-N for water sold for construction and testing shall also use the above table. No True Up will be calculated for water sold for construction and testing purposes. Except for water sold to MGN for construction and testing, if the actual rate incurred at any time during Service Years 2018, 2019, or 2020 is different than the scheduled rate set forth in this Section, a “True-Up” calculation, in accordance with Section 5.08 (True-Up) will be completed no later than thirty (30) days after the Evanston Comprehensive Annual Financial Report (“CAFR”) applicable to that Service Year is completed. The Parties attached as **Group Exhibit “A”** to this Agreement an illustrative example of the “True-Up” process, including an identification of the formula and its components that will be used in performing the “True-Up” calculation. Any credit due to MG-N or Morton Grove or Niles will be allocated to that Party according to the process outlined in Section 5.08 (True-Up) of this Agreement. All water charges otherwise required to be paid under Section 4.06 (Phased Water Delivery to Morton Grove and Niles) will be payable by MG-N, or Niles, or Morton Grove, as the case may be.

#### **4.08 Water Rate Payable to Evanston in Service Years 2021 and Thereafter**

The Parties agree that the identification of the total equivalent water rate payable to Evanston per 1,000 gallons supplied to MG-N in Service Years 2021 and thereafter will be calculated in accordance with Section 5 (Rate) below.

#### **4.09 Rate Equity Parameters**

Unless otherwise agreed to by the Parties, the water rate charged to any new wholesale water customers who have a total IDNR water allocation **less than one hundred and fifty percent (150%)** of the total IDNR water allocation of MG-N shall be calculated based on terms that are not more favorable than the water rate formula set forth in Section 5.03 (Return on Rate Base), Section 5.04 (Depreciation Charge), and Section 5.05 (Quantity Charge).

### **5. Rate**

#### **5.01 General Principles and Policies**

The Parties agree that the definitions, policies and principles described in the AWWA M-1, the "Principles of Water Rates, Fees and Charges published by the American Water Works Association, Sixth Edition", as amended, may be used as a reference guide for the Parties under this Agreement. However, in the event of a conflict or inconsistency between any provision or term of the AWWA M-1 and this Agreement, the provision or term of this Agreement shall govern.

#### **5.02 Billing and Payments**

Evanston shall submit all water bills to MG-N on a monthly basis. MG-N shall pay all amounts due to Evanston pursuant to this Agreement in accordance with the Local Government Prompt Payment Act, 50 ILCS 505/1 et seq. ("LGPPA"). The water bills shall be itemized with sufficient detail to inform MG-N that the charges and fees set forth in each monthly bill conform to the agreed-upon rates and cost components set forth in this Agreement. If payment is not made within the required thirty (30) calendar day period, Evanston will charge MG-N a penalty for late payment of water bills in accordance with the interest penalty provision contained in Section 4 of the LGPPA (50 ILCS 505/4). No other penalty can be assessed against MG-N for late payments

of water bills, except for Evanston's optional right to terminate this Agreement for nonpayment as provided for in Section 18.01 (Termination by Evanston). Evanston's termination option is subject to the right of MG-N to resolve any late payment within the applicable cure period.

The billing structure will conform to the rates and components identified and defined below:

- Demand Charge: A fixed monthly payment consisting of (i) one-twelfth (1/12th) of the Annual Return on the Fair Value Rate Base as determined in accordance with Section 5.03 (Return on Rate Base) and (ii) a Depreciation Charge determined in accordance with Section 5.04 (Depreciation Charge).
- Quantity Charge: A payment based on the quantity of water delivered through the metering point(s) to MGN's water system multiplied by the Quantity Rate determined in accordance with the provisions of Section 5.05 (Quantity Charge).

### **5.03 Return on Rate Base**

The "Rate Base" consists of those components of Evanston's Water Utility relating to assets in the Source of Supply, Filtration, Pumping Plant, Treatment Plant, Water Plant and Transmission locations (the "Evanston Water Utility Components"). These Water Utility Components in service as of December 31, 2015, are identified in the "Evanston Water Utility Components Sheet" which is part of attached **Group Exhibit "B"** (Example of Rate Calculation for MG-N Water Rate for Service Year 2017 Based on Evanston Audited Information for Fiscal Year 2015) to this Agreement. The Parties to this Agreement understand and acknowledge that these Evanston Water Utility Components will adjust annually as of the end of each Fiscal Year to reflect additions to, and retirements of, Evanston Water Utility Components. The Parties to this Agreement understand and acknowledge that these Evanston Water Utility Components may adjust between the Effective Date of this Agreement and the date of delivery of water. Evanston shall be included as a component of the Evanston Water Utility for purposes of asset allocation and rate making related to asset allocation only for MG-N.

- Original Cost Rate Base: The components of the Rate Base valued at the original cost to Evanston of the acquisition, engineering, construction and installation of the assets of the Water Utility as identified in the most recently available Evanston Comprehensive

Annual Financial Report (“Evanston CAFR”), minus accrued depreciation as of the end of the Fiscal Year used as a basis for determining Water Charges under this Agreement.

- **Reproduction Cost New Rate Base:** The components of Rate Base valued initially in the most recently available Evanston CAFR prior to the commencement of delivery of water under this Agreement. Reproduction Cost New Rate Base will be recalculated as of the end of each succeeding fifth Fiscal Year, starting in 2020, reflecting components then properly allocated to the Rate Base pursuant to this Agreement. The recalculation of the Reproduction Cost New Rate Base will utilize the most current valuation of the Evanston Water Utility, as identified by a reputable qualified consulting engineering firm experienced in water works valuation hired by Evanston. Accrued depreciation identified by the engineering firm’s valuation study, plus accrued depreciation which occurred from the date of the valuation to the end of the applicable Fiscal Year of the rate determination, will be deducted from the reproduction cost new of the plant in service at the end of the Fiscal Year.
- **Fair Value Rate Base:** This will be calculated initially in the most recently available Evanston CAFR prior to the commencement of delivery of water under this Agreement. The Fair Value Rate Base will be recalculated as of the end of each succeeding fifth Fiscal Year, starting in 2020, and will consist of the sum of **fifty percent (50%) of the original Cost Rate plus fifty percent (50%)** of the Reproduction Cost Rate Base as of the calculation date. The Fair Value Rate Base will be subject to annual adjustment as of the end of the Fiscal Year between Fair Value Rate Base recalculations to reflect additions to and retirements of Water Utility assets contained in the Rate Base during the Fiscal Year. The next verification of the elements of the Fair Value Rate Base will be performed by Burns and MacDonnell in 2020 (or its successor entity selected by Evanston, as the case may be), and then once every five (5) calendar years thereafter. Additions will be valued at their original cost until recalculation of the Fair Value Rate Base, at which time such additions will be valued in the same manner as the Fair Value Rate Base. Retirements will be valued at their fair value as reflected in the last previous Fair Value Rate Base computation.

- **Annual Return on Rate Base:** The Annual Return on Rate Base will be multiplied **nine and one half percent (9.5%)** on the MG-N share of the Fair Value Rate Base identified in the most recently available Evanston CAFR, and otherwise conform to the cost of service principles identified in Section 5.01 (Ratemaking Principles and Policies). The MG-N share of the Fair Value Rate Base will be determined by allocating to MG-N a portion of such Fair Value Rate Base, as adjusted and recalculated from time to time as provided by this Agreement. This adjustment will be based upon the ratio of each Evanston Water Utility customer allocation, which includes the City of Evanston's allocation, compared to the total allocation of all Evanston Water Utility customers established by order of the Illinois Department of Natural Resources ("IDNR") during the Fiscal Year.

#### **5.04 Depreciation Charge**

These charges will be calculated as of the end of each Fiscal Year following commencement of the delivery of water to MG-N and will consist of one-twelfth (1/12th) of an annual depreciation charge, calculated by applying the depreciation rates utilized by Evanston identified in **Group Exhibit "C" (Depreciation Rates)** to this Agreement, to the original cost of the depreciable Water Utility asset defined in Section 5.03 (Return on Rate Base) in service contained in the Fair Value Rate Base allocated to MG-N. As of the date when any depreciable Water Utility asset will be placed in service or any depreciable Water Utility asset in the Fair Value Rate Base is retired from service, charges of depreciation to MG-N will be correspondingly adjusted as of the end of the Fiscal Year in which the addition or retirement took place.

#### **5.05 Quantity Charge**

MG-N will pay Evanston a Quantity Charge based upon a Quantity Rate equal to MG-N's share of the "Operating Costs" per 1,000 gallons of water delivered to the Point of Delivery. The "Operating Costs" to be included in determining the Quantity Rate are the costs assigned to the functions of Administration, Pumping, Filtration, and Distribution, identified in the Evanston CAFR of the Evanston Water Fund described in **Group Exhibit "B"** attached to this Agreement. The Operating Costs applicable to water deliveries during the Service Year will be determined



based on the results of operation of the Evanston Water Utility, as audited by independent certified public accountants selected by Evanston, as reviewed by MG-N. The total Quantity Charge will be adjusted at the end of each Service Year to reflect the actual, total Quantity Charge owed to Evanston based on the Fiscal Year Operating Costs finally determined by the latest annual audit performed by the current Evanston independent certified public accountant as defined in Section 5.08 (True Up). In determining the Quantity Rate, Operating Costs will be allocated to MG-N based upon the ratio of its Average Day Demand identified in Section 7 (Water Supply; Allocation; Distribution) of this Agreement supplied by the Evanston Water Utility, to the aggregate of the Average Day Demand of all Evanston Water Utility, MG-N and other customers or users of the Evanston Water Utility system during the Fiscal Year. The Quantity Rate will not include any portion of any costs included in computing the Fair Value Rate Base, Annual Return on Rate Base or Depreciation Charge.

#### **5.06 Demand Charge and Quantity Charge Smoothing**

- **Demand Charge Cap.** Upon completion of the Clearwell Project immediately south of the Evanston Water Utility, and upon completion of the Intake Replacement Project, but not later than the end of year 2022, any increase and decrease in any Evanston Water Utility Asset shall not increase the total rate charged to MGN by more than **four percent (4%) per year** until the entire cost of the Evanston Water Utility Asset has been recovered by either Party compared to the cost change that would have occurred if the Evanston Water Utility Asset change was not smoothed. No cap or smoothing will be calculated due to the change in total customers utilizing the Evanston Water Utility. Any increased capital costs associated exclusively with the acquisition of new customers by Evanston will not be included in the rate calculation for MG-N. MG-N's rate shall not be increased as a result of the acquisition of new Evanston customers. Evanston may accelerate the replacement of assets assigned to MGN, as needed, to add a new Evanston customer or may add new assets beneficial to MGN, provided that the new rate for MG-N is equal to or less than the then-current MGN rate.
- **Quantity Charge Cap.** The Parties agree to cap any annual increase to the labor costs portion of the Operating Costs that are used to determine the Quantity Rate based on the

actual, annual aggregate cost increase (if any), but **not to exceed the greater of four percent (4%) average** of the annual percentage increases of labor costs for public works employees of Evanston, Morton Grove and Niles (e.g., Evanston increase (4.4%) plus Morton Grove increase (4.0%) plus Niles increase (4.14%) divided by three equals a 4.167% increase).

#### **5.07 MG-N Audit Rights**

Not more than once per year, MG-N shall have the right to audit all parts of the water charges, and the components thereof, as well as any other fees, charges, or assessments provided for in this Agreement. MG-N's right to audit includes, but is not limited to, the Demand Charge, the Quantity Rate, the Quantity Charge, the Rate Base and the Depreciation Charge, as well as any other components of the water charges. Evanston shall reasonably cooperate with requests by MG-N and its auditors regarding reasonable requests for documents and information needed to complete the audit related to the rights and obligations of the Parties under this Agreement. Each Party is responsible for its respective costs of the audit.

#### **5.08 True-Up**

At the end of each Service Year and subject to Section 5.07 (MG-N Audit Rights), there will be a final Quantity Charge or credit issued by Evanston to MG-N to adjust the total Quantity Rate calculated by utilizing the latest available Fiscal Year audited Operating Costs. Any adjustments to the water charges, and the components thereof, as well as any other fees, charges, or assessments provided for in this Agreement, that require additional payment to Evanston by MG-N or any credit to MG-N by Evanston shall be calculated as part of this annual True-Up process. The Parties have attached as **Group Exhibit "A"** to this Agreement, illustrative examples of the "True-Up" process. After the True-Up process and any dispute resolution process are completed, this final charge or credit shall be paid by the responsible Party within thirty (30) calendar days of the issuance of the invoice or credit by separate payment or as otherwise mutually agreed to in writing by the Parties.

## **6. Water System Definitions**

### **6.01 Water System Definitions and Related Terms**

In this Agreement, the following definitions apply:

- **Evanston Clearwell Project:** The replacement of the 5.0 MG treated water storage facility located on the south side of Lincoln Street opposite the water treatment plant (See, **Group Exhibit “B”**, #203 of the Treatment Plant asset list).
- **Evanston Connection Facility:** Evanston control valve, delivery meter, piping and other components necessary to supply water to MG-N that will be housed in an underground vault near the intersection of McCormick Boulevard and Emerson Street and owned by Evanston and included as a transmission component in the rate base.
- **Evanston Facilities Adjustments:** Modifications to the Evanston distribution system near the intersection of McCormick Boulevard and Emerson Street necessary to construct the Evanston Connection Facility and continue delivery of water to the Village of Skokie.
- **Evanston Intake Replacement Project:** The replacement of Evanston’s 36” and 42” diameter intake(s) and all appurtenances thereto (See **Group Exhibit “B”**, #9 and #13 in the Source of Supply asset list).
- **Evanston Water Utility:** The assets in the Source of Supply, Pumping Plant, Treatment Plant, Water Plant and Transmission locations in service as of December 31, 2015, and identified in **Group Exhibit “B”** to this Agreement, which components may adjust annually as of the end of each Fiscal Year to reflect additions to, and retirements of, Water Utility components.
- **Morton Grove Water System:** The infrastructure that makes up the Morton Grove Water System, including but not limited to, the water treatment, pumping, storage, distribution and delivery system, pump stations, transmission and distribution mains, valves, meters, and connection facilities.
- **Niles Water System:** The infrastructure that makes up the Niles Water System, including but not limited to, the water treatment, pumping, storage, distribution and delivery system, pump stations, transmission and distribution mains, valves, meters, and connection facilities.

- **MG-N Water System:** The infrastructure that makes up a shared waterworks system that extends from the Point of Delivery to the Morton Grove Water System and the Niles Water System, including the MG-N connection facilities.
- **Point of Delivery:** The point of connection of the MG-N Water System and the Evanston Connection Facility adjacent to the underground vault near the intersection of McCormick Blvd. and Emerson Street.
- **Project:** The construction of the Evanston Connection Facilities, the Evanston Facilities Adjustments, the MG-N Water System, and all related and necessary improvements made to the Evanston Water Utility, the Morton Grove Water System, and the Niles Water System, as provided for in this Agreement.
- To the extent a word or term is used in this Agreement that is not defined herein, the first source of interpretation of the word or term shall be its definition in the AWWA M-1 Manual or other AWWA publication pertaining to water transmission and distribution facilities (if defined therein), then any applicable federal or state laws (e.g., Clean Water Act) and then the common definition found in the most recent edition of any mutually agreed upon nationally published dictionary (e.g., Webster's Dictionary or Merriman's Dictionary).

## **7. Water Supply; Allocation; Distribution**

### **7.01 Water Supply, Sale and Purchase; Allocation**

Evanston will sell and deliver to MG-N the full water requirements of the MG-N Water System, except as otherwise set forth in this Agreement. MG-N will purchase all of the water it receives from Evanston in accordance with this Agreement.

Morton Grove, Niles and MG-N, and their successor entities, are each responsible to obtain and maintain a water allocation from the Illinois Department of Natural Resources ("IDNR"). In this Agreement, Average Day Demand ("ADD") means the IDNR allocations established in November 2011 for Morton Grove and Niles. In this Agreement, Maximum Flow Rate ("MFR") means the rate of flow that Evanston is required to provide at the Point of Delivery.

The Maximum Flow Rate to Morton Grove and Niles is based on the Year 2030 IDNR allocation assigned to Morton Grove and Niles multiplied by a 1.65 peaking factor.

- Illustrative formula for calculating the MFR for Morton Grove and Niles: Morton Grove Year 2030 IDNR allocation =  $3.880 \times 1.65 = 6.402$  Million Gallons Per Day (“MGD”) MFR.
- Niles Year 2030 IDNR allocation =  $5.146 \times 1.65 = 8.491$  MGD MFR.
- Total Maximum Flow Rate at Point of Delivery by Evanston to MG-N throughout the Term of this Agreement shall be 14.893 MGD MFR.

### **7.02 Emergency Connections**

This Agreement will not prohibit MG-N or Evanston from entering into any emergency water service agreement with another municipality, water agency, or other source. Nothing in this Section will prevent Evanston’s right to collect all water charges provided for in this Agreement.

### **7.03 Coefficient of Friction**

MG-N shall maintain its transmission mains to provide a coefficient of friction (“C-factor”) to be determined after the completion of the final design engineering for the MG-N Water System, which C-factor will be incorporated into this Agreement by a jointly executed side-letter issued prior to the delivery date of water. Unless otherwise agreed to by the Parties, the C-factor rating of the MG-N Water System between the Point of Delivery and the MG-N booster station or MG-N (referred to as the “Evanston Pressurized Zone” of the MG-N Water System) receiving reservoir shall not be less than a C-factor rating of 90. If the C-factor falls below 90 within the Evanston Pressurized Zone of the MG-N Water System, Evanston is not required to meet the Maximum Flow Rate as indicated in Section 7.01 (Water Supply Sale and Purchase; Allocation). The Maximum Flow Rate shall decrease directly on a one to one basis with the decrease in C-factor rating (e.g., 80 C-factor = 80% maximum flow rate). The C-factor is identified in Cameron Hydraulic Data, or equivalent successor statement of measure, and typically used for the design of concrete pipes to reflect the roughness of the pipe after many years of operation. MG-N shall test its transmission mains beginning in Year 2023, and every fifth year thereafter, to determine the C-factor rating and promptly provide those results to Evanston to ensure adherence to this

requirement. If the transmission main(s) of MG-N fail to meet the required C-factor rating as set forth in this Section, then another C-factor test shall be conducted during the subsequent Service Year.

#### **7.04 Pressures**

Evanston will supply water to MG-N by direct pressure from the Evanston Water Plant without intermediate pumping from reservoirs. Evanston shall control operating pressures within its water distribution system and adjust such pressures according to the water demands within its water distribution system to ensure that the pressure at the Point of Delivery is at all times between 40 and 50 pounds per square inch ("PSI").

#### **7.05 Supply and Service Agreement Only; Title to Water**

Nothing in this Agreement shall be construed as granting any proprietary or other interest in the Evanston Water Utility to MG-N. Nothing in this Agreement shall be construed as granting any proprietary or other interest in the MG-N Water System to Evanston. Evanston and MG-N agree that this Agreement is solely an agreement for the sale and purchase of a supply of Water and related services. Title to Water passes at the Point of Delivery from Evanston to MG-N. Evanston agrees to deliver an adequate water supply on a regular basis to maintain MGN water requirements as provided for in this Agreement. Evanston agrees to not utilize off-peak pumping to meet the MG-N water requirements, unless requested by MG-N.

#### **7.06 Temporary Restriction**

Evanston has the right to restrict, on a temporary basis, the supply of water to MG-N in order to ensure an adequate water supply to all customers of the Evanston Water Utility for basic water services, and firefighting purposes, provided that the duration of the temporary water restriction is limited to the minimum time period necessary to resolve the condition or unforeseen emergency that caused the temporary restriction. Evanston shall take immediate, commercially reasonable actions to fix, repair, employ a temporary solution until a permanent solution is available or resolve the condition or unforeseen emergency that caused the temporary water restriction. If there is an insufficient water supply available to serve MG-N and all other

customers, MG-N will receive its pro-rata share of the amount of water based on the IDNR Allocation(s) that is stored and available at the Evanston Water Utility as defined and identified in the then current **Group Exhibit “B”** to this Agreement. If Evanston temporarily restricts the supply of water to MG-N under this Section, it shall deliver immediate written notice to MG-N that explains the reason(s) for the restriction, identifies the estimated reduction in the volume of water to be supplied to MG-N and the anticipated duration of the reduction in water supply service. During the first twenty-four (24) hour period of the temporary water restriction, Evanston shall provide MG-N with status reports in subsequent eight (8) hour(s) intervals relative to the progress in resolving the condition or unforeseen emergency that caused the temporary water restriction. If the temporary water restriction extends or is anticipated to extend beyond a twenty-four (24) hour period, the Parties agree to meet to discuss commercially reasonable options and actions to fix, repair, employ a temporary solution until a permanent solution is available or resolve the condition or unforeseen emergency that caused the temporary water restriction.

#### **7.07 Maintenance**

Scheduled maintenance and repair to the Evanston Water Utility or the MG-N Water System that may impact water supply and service to MG-N cannot be done except upon prior notice to the other Parties of not less than five (5) days. Scheduled maintenance to water system infrastructure during peak demand periods shall be avoided to the extent possible. Notice of emergency maintenance or repair will be provided by the Party performing the maintenance and repair to the other Party as soon as practicable under the circumstances. Each Party agrees to maintain their respective water systems in accordance with the manufacturers’ warranty and operational specifications.

#### **7.08 MG-N Option to Purchase Water from Other Suppliers**

Notwithstanding any other provision in this Agreement, MG-N may purchase water from other water suppliers under the following two (2) situations. First, MG-N may purchase water from other water suppliers to the extent Evanston fails to deliver to MG-N the full water requirements up to the total amount of the IDNR allocations as required by this Agreement. In the event of

such failure by Evanston, but excluding temporary restriction(s) under Section 7.06 or maintenance situations under Section 7.07 above, Evanston shall provide written notice to MG-N of the service failure, which shall include a description of the operational or technical reasons for the failure to deliver MG-N's full water requirements. Second, MG-N may purchase water from the City of Chicago under non-emergency conditions in order to maintain an active, operational water supply connection.

#### **7.09 Surges and Back-Flows**

No surges or back-flows into any Party's water system are allowable under this Agreement.

#### **7.10 MG-N Responsibility for Damage to Evanston's Water Utility**

MG-N is responsible for damage to the Evanston Water Utility or of any of its customers due to surges and back-flows caused by malfunction or misuse of MG-N's Water System, including, without limitation, valve operation or booster station operation, excluding damage where Evanston is responsible for the operation of the MG-N Water System, including, without limitation, its valve operation or booster station. MG-N shall install a flow control system and a pressure recording system consisting of remotely operated flow control valve(s) at the MG-N receiving reservoir(s). MG-N shall provide the necessary equipment to transmit pressures, rates of flow and receiving reservoir(s) elevations prior to delivery of water by Evanston. All devices necessary for the control and transmission of pressures, levels and rates of flow of water furnished to MG-N that are part of the MG-N Water System shall be provided and maintained by MG-N, and comply with the provisions of Section 10 (Meters and Measurements; Meter Testing). Water pressure and rate of flow readings shall be transmitted to the Evanston Pumping Station. All flow control valves within the Evanston Water Utility shall be controlled by Evanston in accordance with the provisions of this Agreement.

#### **7.11 Evanston's Responsibility for Damage to MG-N's Water System**

Evanston is responsible for damage to the MG-N Water System or of the water systems any of its customers due to surges and back-flows caused by malfunction or misuse of Evanston's



Water Utility, including, without limitation, valve operation, booster station operation or pump station operation.

#### **7.12 Operating Meetings and Plan**

Evanston shall provide to MG-N, at no cost to MG-N, with a copy of Evanston's most recently prepared annual operating plan and capital plan related to the Evanston Water Utility ("Operating Plan") no less than thirty (30) calendar days before each operations meeting provided for in this Section. Evanston shall convene an operations meeting with MG-N at least two (2) times per year for every year this Agreement is in effect. Meetings may be in person or may be convened through mutually acceptable electronic means. Evanston shall provide MG-N with copies of all required State or Federal filings that Evanston is required to file regarding its operation of its Water Utility and Water System. Evanston will provide MG-N with its then applicable Operating Plan related to the Evanston Water System prior to the date of first delivery of Water to MG-N.

#### **7.13 Continuity of Operations Plan**

Evanston agrees to provide a copy of the most recent WTP/Evanston Water Utility System evaluation report, along with a status report on the actions taken on the recommendations made in that report by March 1, 2017.

Evanston agrees to have a plant evaluation performed by a consultant in Year 2018 and every ten (10) years thereafter. This evaluation shall review each system and component of the Evanston Water Treatment Plant ("WTP"), and the portions of the Evanston Water Utility System that serves MG-N, to determine their useful life and dependability in order to meet the needs of the users of the WTP, and shall be summarized in a report. This report will be made available to Evanston's wholesale water customers and MG-N. The Parties agree to meet and confer regarding the scheduling and implementation of any recommendations provided in the report during meetings convened under Section 7.12 (Operating Meetings and Plan) and Evanston agrees to update its capital improvement plan annually to address the report recommendations and share this information with MG-N.

Evanston has a vulnerability assessment report for the WTP and the Evanston Water Utility System and agrees to update the report on an as needed basis, and will be available for review by MG-N. This report is currently an exempt public record under the Illinois Freedom of Information Act.

## **8. Existing and Future Customers of Evanston; MG-N Other Users**

### **8.01 Existing and Other Water Customers Served by Evanston**

Evanston agrees that it will continue to supply water to its existing customers without impairing MG-N's right to Water service from Evanston under this Agreement, or impairing Evanston's ability to deliver Water to MG-N under this Agreement. Nothing in this Agreement limits Evanston executing new, modified or amended agreements with any other current or future wholesale water customer served by Evanston. Evanston shall give MG-N at least six (6) calendar months prior written notice before Evanston enters into a contract to serve a new wholesale water customer or enters into an addendum to amend any water supply agreements with existing wholesale water customers. Evanston shall provide MG-N with copies of the contract and/or the addendum and the cost / benefit analysis report provided to the Evanston City Council, prepared in regard to the addition of a new wholesale water customer or customer whose IDNR allocation has been changed, and MG-N may provide Evanston with written comments regarding this subject. MG-N agrees Evanston has the right to serve new wholesale water customer(s) subject to its obligations to MG-N under this Agreement.

In the event of the loss of the Northwest Water Commission ("NWC") between the years of 2034-2047, the change in the total rate increase shall be calculated, and MG-N shall be assessed, **not more than fifty percent (50%)** of the rate increase incurred by the loss of NWC. Assuming the loss of NWC between the years of 2034-2047, total MG-N rate increases shall be **capped at eight percent (8%) per annum**. Evanston shall take all commercially reasonable actions to reduce all assets in use at the WTP to reflect the new plant demand without NWC. After 2048, MG-N rates shall be recalculated according to this Agreement.

### **8.02 Right of MG-N to Supply Water to Other Users**

MG-N has the right to resell Water it owns under this Agreement to existing and future water users of MG-N's Water System, provided that MG-N does not exceed its ADD under its then current IDNR water allocation, as determined by the IDNR or its successor regulatory agency. MG-N shall give Evanston at least six (6) calendar month prior written notice before MG-N enters into a contract to service any new water customer(s), and MG-N shall provide Evanston with copies of the contract and the cost / benefit analysis report in prepared in regard to the addition of a new wholesale water customer. Evanston may provide MG-N with written comments regarding this subject.

### **8.03 Liability for Unreasonable Delay by MG-N**

If MG-N fails or refuses to complete the MG-N Water System as required by this Agreement, then MG-N shall pay to Evanston all reasonable, actual, documented costs incurred by Evanston as listed in Section 18.03 (G, H, or I) (Termination by MG-N), and in Sections 4.01 (MG-N Notice to Evanston to Proceed With Preliminary Project Phase Work) through 4.07 (Commencement of Obligation to Deliver and Receive Water). If MG-N fails to complete the MG-N Water System due to a Force Majeure Event(s) or any other delays that prevent the completion of MG's Project Improvements until after the Delivery of Water (Section 4.04), MG-N shall not be obligated to pay to Evanston any costs or penalty, provided that MG-N has taken and continues to take all commercially reasonable actions to complete the MG-N Project Improvements as soon as reasonably possible after the expected Delivery Date Of Water.

### **8.04 Liability for Unreasonable Delay by Evanston**

If Evanston fails or refuses to complete the components at the Point of Delivery in a commercially reasonable time frame as outlined in Section 4.01 (MG-N Notice to Evanston to Proceed with Preliminary Project Phase Work) through Section 4.07 (Commencement of Obligation to Deliver and Receive Water) and MG-N are unable to receive water from Evanston by the anticipated initial delivery date of water, or such other alternate water delivery date, as provided for in Section 4.01 (MG-N Notice to Evanston to Proceed with Preliminary Project Phase Work) through Section 4.07 (Commencement of Obligation to Deliver and Receive

Water) above, due to such failure or refusal by Evanston, then Evanston will pay to MG-N the difference between the water rate that would have been charged by Evanston under this Agreement, and the then-applicable Chicago water rate (or the water rate charged by an alternate water supplier).

## **9. Facility Completion Schedule**

### **9.01 Specifications and Sequence of Construction for the Project Improvements**

After the approval of this Agreement, and subject to the notice to proceed provisions set forth in this Agreement, the Parties agree to work cooperatively together and to share relevant information to develop their respective specifications for their own Project improvements and to prepare construction schedules and operating procedures for the Project improvements, including the joint review of preliminary design plans and final design plans for review comment purposes and delivery of periodic status reports by each Party relative to the Evanston Connection Facilities and the MG-N Water System.

### **9.02 IEPA and Other Approvals for the Project**

The Parties agree to apply for, obtain and maintain all permits, licenses and other approvals required by the federal, state, county and local governments and governmental regulatory agencies with jurisdiction over the Project.

### **9.03 Easements, Licenses, Permits, Fees and Approvals**

A. Evanston. Evanston shall take all necessary action to provide and grant to MG-N easements, permits and licenses for the construction of the MG-N Water System on Evanston-owned or controlled real property or easement premises and within Evanston's corporate boundaries. Evanston agrees to waive all required permit fees, license fees and plan review fees that would otherwise be paid by MG-N to Evanston related to this Project. However, Evanston will not be responsible for any costs not on Evanston-owned or controlled real property or Evanston held

easements but within Evanston's corporate boundaries. Construction of the MG-N Water System within Evanston must be completed in accordance with all Evanston City Code requirements governing construction and restoration applicable in Evanston.

B. MG-N. MG-N shall take all necessary action to acquire easements, permits and licenses for the construction of the MG-N Water System Facilities within Evanston's corporate boundaries and outside of Evanston's corporate boundaries. MG-N agrees to pay all required permit fees, license fees and plan review fees to all governmental regulatory agencies with jurisdiction over the Project, except for Evanston. Construction of the MG-N Water System shall conform to all applicable laws, ordinances, codes, regulations and specifications.

## **10. Meters and Measurements; Meter Testing**

### **10.01 Unit of Measurement**

The unit of measurement for water delivered pursuant to this Agreement will be gallons of water, U.S. Standard Liquid measure, and all meters installed pursuant to this Agreement must, unless the Parties otherwise agree, be so calibrated, and must read at one thousand (1,000) gallons of water.

### **10.02 Supervisory Control and Data Acquisition ("SCADA")**

Evanston shall in real time provide to MG-N the following SCADA information, except during SCADA failure:

- a) total plant flow data;
- b) flow through MG-N master meter data;
- c) pressure at MG-N delivery meter facility data; and
- d) Evanston control valve position.

MG-N shall in real time provide to Evanston incoming and outgoing flow data from each receiving reservoir as well as the water level in each receiving reservoir, except during SCADA failure. At all times, but with prior notice to MG-N unless there is an emergency situation,

Evanston will operate and control the control valves at the booster station / receiving reservoir(s) in Morton Grove or Niles through the use of the SCADA system, provided Evanston has approved the design and construction of the pressure control devices, control valves and related SCADA components that are designed and constructed to reasonable industry standards (e.g., a hydraulic transient study). In regard to on-site visits and inspections of each Party's respective water system facilities, the requesting Party shall request any on-site visits and inspections in advance by written notice to the receiving Party and shall comply with all security protocols and be accompanied by the receiving Party's staff during the on-site visit or inspection, and the receiving Party shall cooperate in scheduling such on-site visits and inspections. Evanston and MG-N agree to promptly repair any SCADA failures.

#### **10.03 Delivery Meters**

Water sold and delivered to MG-N pursuant to this Agreement must be measured through a meter or meters furnished, installed, maintained, replaced and read by Evanston (the "Delivery Meters"). Except as provided in this Agreement, all billing for Water sold and supplied pursuant to this Agreement must be based upon Evanston's readings of the Delivery Meters, subject to MG-N's right to audit Evanston's readings under Section 5.07 (MG-N Audit Rights) above. All Delivery Meters shall be in good working order, shall at all times meet or exceed the standards of the AWWA, or its successor entity, and shall be available for inspection, testing, and checking by MG-N upon reasonable request to Evanston. Evanston shall at its cost maintain, inspect, test, calibrate and adjust all Delivery Meters not more than two (2) times per year. Representatives from MG-N shall have the right to witness all such maintenance, inspections, tests, calibrations and adjustments. The cost of testing the Delivery Meters payable by MG-N shall be Two Hundred Dollars (\$200.00) per month. Copies of the results of all such maintenance, inspections, tests, calibrations and adjustments must be furnished by Evanston to MG-N upon request.

#### **10.04 Check Meters**

MG-N may, at their option and expense, install and operate a check meter(s) (a "Check Meter") to check each Delivery Meter, but the measurement of water for billing pursuant to this

Agreement shall, except as hereinafter provided, be measured solely by the Delivery Meters. All Check Meters shall meet or exceed the standards of the AWWA and shall be available for inspection and checking by Evanston upon reasonable request to MG-N. The costs for installation, maintenance, regulatory fees, reading, testing, calibration, and adjustment of all Check Meters shall be performed by MG-N at MG-N's sole cost and expense.

#### **10.05 Meter Calibration and Adjustment**

If either Evanston or MG-N at any time observes a variation between a Delivery Meter and a Check Meter or any other evidence of meter malfunction, such Party must promptly notify the other Party, and Evanston and MG-N agree to cooperate to inspect and test the accuracy of such meter(s). If upon any inspection or test, any meter is found to be out of service or the percentage inaccuracy of any meter is found to be **in excess of two percent (2%)** slow or fast, then the meter's registration, as well as charges for water based on incorrect metering, must be corrected by agreement of Evanston and MG-N based on the best data available. The best data available is defined as the registration of an installed Check Meter that is accurately registering **in excess of two percent (2%)** slow or fast during the period extending back to the time when such inaccuracy began. If it is impossible to determine the time period of inaccuracy, the correction period will extend back one-half of the time elapsed since the last date of calibration. Otherwise, the amount of water delivered during such period may be estimated by:

- correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation; or
- if the error is not ascertainable by calibration tests or mathematical calculation, by estimating the quantity of water delivered by reference to deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

#### **10.06 Notification Concerning Meter Tests.**

Evanston and MG-N shall deliver to the other Party written notice at least seventy-two (72) hours in advance of the time of any planned maintenance, inspection, test, calibration, adjustment or other work affecting any Delivery Meter or Check Meter so that the other Party may arrange to have a representative present. If said representative is not present at the time set

in such notice, the inspection, test, calibration, adjustment or other work will proceed in the absence of said representative. Notices required under to this Section 10.06 shall be given to the following persons at the following addresses, unless otherwise provided in writing by MG-N or Morton Grove or Niles:

If for Evanston:

Director of Public Works Agency  
555 Lincoln Street  
Evanston, Illinois 60201  
Phone: 847.448.4311  
Email: current business email address

If for Morton Grove:

Director, Public Works  
Village of Morton Grove  
7840 Nagle Avenue  
Morton Grove Illinois 60053  
Phone: (847) 470-5235  
Fax: (847) 965-9511  
Email: current business email address

If for Niles:

Public Services Director  
Village of Niles  
6849 West Touhy Avenue  
Niles, Illinois 60714  
Phone: (847) 588-7900  
Fax: (847) 588-7950  
Email: current business email address

#### **10.07 Removal of Meters**

Delivery Meters and Check Meters may be removed upon termination of this Agreement only upon mutual agreement of the Parties and upon the release of any easements related thereto.

#### **10.08 Meters for Customers**

Each Party is responsible for providing water meters to its own customers.



## **11. Dispute Resolution**

### **11.01 Negotiation**

If a dispute arises between Evanston and MG-N concerning this Agreement, the Parties will first attempt to resolve the dispute by negotiation. Each Party will designate persons to negotiate on their behalf. The Party contending that a dispute exists must specifically identify in writing all issues and present it to the other Parties. The Parties will meet and negotiate in an attempt to resolve the matter. If the dispute is resolved as a result of such negotiation, there must be a written determination of such resolution, and ratified by the corporate authorities of each Party, which will be binding upon the Parties. If necessary, the Parties will execute an addendum to this Agreement. Each Party will bear its own costs, including attorneys' fees, incurred in all proceedings in this Section. If the Parties do not resolve the dispute through negotiation, any Party to this Agreement may pursue other remedies under Section 11.02 (Remedies) below to enforce the provisions of this Agreement.

### **11.02 Remedies**

In any action with respect to this Agreement, 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 Agreement 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 all litigation arising under this Agreement.

### **11.03 Venue and Applicable Law**

All questions of interpretation, construction and enforcement, and all controversies with respect to this Agreement, 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 Agreement 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.

## **12. Force Majeure**

### **12.01 Excuse From Performance**

No Party will be liable in damages to any other Party for delay in performance of, or failure to perform, its obligations under this Agreement, if such delay or failure is caused by a Force Majeure Event as defined in Section 12.02 (Force Majeure Event) below. If a Party cannot perform under this Agreement due to the occurrence of a Force Majeure Event, then the time period for performance of the Party under this Agreement shall be extended by the duration of the Force Majeure Event.

### **12.02 Force Majeure Event**

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

- an “act of God” such as an earthquake, flood, fire, Lake Michigan seiche, tornado, earth movement, or similar catastrophic event,
- an act of terrorism, sabotage, civil disturbance or similar event,
- a strike, work stoppage, picketing, or similar concerted labor action,
- delays in construction caused by unanticipated negligence or breach of contract by a third party or inability to obtain essential materials after diligent and timely efforts; or
- an order or regulation issued by a Federal or State regulatory agency after the Effective Date or a judgment or order entered by a Federal or State court after the Effective Date.

A Force Majeure Event does not include a change in economic or market conditions or a change in the financial condition of a Party to this Agreement.

### **12.03 Notice**

The Party claiming a Force Majeure Event excuse must deliver to the other Parties a written notice of intent to claim excuse from performance under this Agreement by reason of a Force Majeure Event. Notice required by this Section must be given promptly in light of the circumstances. Such notice must describe the Force Majeure Event, the services impacted by the

claimed event, the length of time that the Party expects to be prevented from performing, and the steps which the Party intends to take to restore its ability to perform its obligations under this Agreement.

### **13. Preservation of Water Rights**

Evanston intends to preserve all of its water rights, irrespective of whether the water held under such water rights is allocated under this Agreement. Nothing in this Agreement shall be construed as an abandonment, or evidence of intent to abandon, any of the water rights that Evanston presently possesses.

### **14. Good Faith and Fair Dealing**

The Parties each acknowledge their obligation under Illinois law to act in good faith toward, and deal fairly with, each other with respect to this Agreement.

### **15. MG-N Option to Create a JAWA or a Water Commission; Assignment**

A. JAWA; Water Commission. If a Municipal Joint Action Water Agency ("JAWA") is created, pursuant to 5 ILCS 220/3.1, as amended from time to time, or a municipal Water Commission is created, pursuant to 65 ILCS 5/11-135-1, *et seq.*, as amended from time to time, which has jurisdiction over the MG-N Water System (the "MG-N Successor Entity"), all of MG-N's rights and obligations under this Agreement shall be automatically assigned to, and assumed by, the MG-N Successor Entity. MG-N shall have no further rights or obligations under this Agreement, effective as of the date of the creation of the MG-N Successor Entity. MG-N shall give Evanston prior written notice of the proposed creation of a MG-N Successor Entity at least ninety (90) calendar days prior to the creation of the MG-N Successor Entity. Immediately after the creation of the MG-N Successor Entity, signed copies of the corporate approval and formation documents (i.e. approving ordinance, intergovernmental agreement and by-laws) of the MG-N Successor Entity shall be sent to Evanston. Thereafter, the MG-N Successor Entity and Evanston agree to enter into an addendum to this Agreement to formally recognize the automatic assignment set forth herein and that MG-N has no further rights or obligations under this Agreement, provided

however that MG-N is current in all required payments and charges owing to Evanston prior to such assignment taking effect.

B. Assignment by MG-N or the MG-N Successor Entity. MG-N and any MG-N Successor Entity shall have the right to assign this Agreement to a public water utility or another statutory water agency, provided that MG-N or Morton Grove or Niles becomes a member of the new statutory water agency, subject to prior written notice to Evanston and approval of the assignment by Evanston, which approval shall not be unreasonably withheld so long as the Successor Entity assumes all obligations of MG-N (or the obligations assumed by the MG-N Successor Entity) as set forth in this Agreement or any addendum, and the Successor entity is authorized and obligated to collect adequate revenue from its customers to pay the water rate charged by Evanston. After the assignment, MG-N, Morton Grove, or Niles, or the MG-N Successor Entity, shall have no further rights or obligations under this Agreement.

## **16. Financing Options for the Project**

### **16.01 Cooperation with Project Financing**

Evanston and MG-N will cooperate with each other to explore options for issuing water revenue bonds, other debt obligations and/or applying for any grants or loans to assist with the financing of the anticipated improvements to be made to their respective Water Systems in order to complete and operate the Evanston Connection Facilities, the Evanston Facilities Adjustments, the MG-N Water System and any other Water System improvements covered by this Agreement. Evanston may, if necessary and advantageous for Evanston and as determined solely by Evanston, issue debt to finance the Project, in part or in whole as the case may be, only if necessary and advantageous for MG-N, as determined by MG-N, provided that Evanston is able to earn an acceptable profit on the debt. To the extent that the Parties agree to issue bonds or other debt instruments in the name of Evanston, alone, or in their own respective or collective corporate names, the Parties agree to enter into such other additional intergovernmental agreements as are necessary to provide the statutory authority to issue such bonds and other debt instruments. As between Evanston and MG-N, each respective Party shall be responsible to make payments on its own debt service for its own Project Improvements. Evanston shall not be

obligated to pay any of the debt service payments for MG-N Project Improvements. MG-N shall not be obligated to pay any of the debt service payments for Evanston Project Improvements.

#### **16.02 MG-N Project Financing Options**

MG-N reserves the right to finance its own Project Improvements.

### **17. Disconnection, Removal Relocation of Connection Facilities or Transmission Mains**

#### **17.01 Termination of Agreement**

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

#### **17.02 Relocation**

In the event that the Point of Delivery or any portion of the Evanston Connection Facilities and the MG-N Connection Facilities or any transmission mains need to be relocated due to unanticipated circumstances or at the request of either Party, the Parties may negotiate an addendum to this Agreement that provides for the relocation, reconstruction, financing and cost sharing of the relocation work. If this Agreement is terminated, within one (1) year of the effective date of such termination, all connection facility assets, components, and equipment within Evanston must be removed at MG-N's sole cost and expense, unless otherwise agreed upon by the Parties.

### **18. Termination; Default**

#### **18.01 Termination by Evanston**

This Agreement shall be subject to termination if a court of competent jurisdiction restricts or limits any of Evanston's rights to obtain, sell, contract for, or distribute water to MG-N in a

manner that prohibits Evanston from complying with its obligations to MG-N under this Agreement. Evanston will have the right to terminate this Agreement if MG-N fails and defaults with respect to its obligations under Section 5.02 (Billing and Payments) of this Agreement, and otherwise fails and refuses to cure such default under Section 11.01 (Negotiation) and Section 18.04 (Default; Cure Period; Relief).

#### **18.02 Termination by Mutual Agreement**

Only upon mutual consent, the Parties may agree terminate this Agreement, in writing, after the approval of a termination or wind-down agreement by their respective corporate authorities.

#### **18.03 Termination by MG-N**

MG-N shall have the right to terminate this Agreement if it delivers written notice to Evanston of its intention to terminate this Agreement not less than five (5) years prior to the termination date of the then-existing Term. In addition, MG-N has the right to terminate this Agreement for the following reason(s):

- A. If MG-N is unable to obtain easements or title to real property to construct the MG-N Connection Facilities and other necessary MG-N Project Improvements.
- B. If the MG-N Engineering and Route Study determines that the MG-N Connection Facilities and other necessary MG-N Project Improvements will not be feasible for any reason, including but not limited to a lack of technical feasibility to complete the MG-N Project Improvements, or a lack of relative financial feasibility to pay for the MG-N Project Improvements.
- C. If the bid results for the MG-N Connection Facilities and other necessary MG-N Project Improvements exceeds:
  - 1) the MG-N Engineer's Estimate;
  - 2) the approved MG-N Project Budget; or
  - 3) the MG-N Project Financial / Debt Repayment schedule. MG-N shall provide all documents and data to Evanston prior to MG-N cancelling the bid.
- D. Evanston fails to deliver water in accordance with or otherwise fails to comply with the terms of this Agreement,

- E. MG-N can terminate this Agreement at the end of the Initial Term, or as otherwise provided during any Extended Term, subject to timely written notice to Evanston.
- F. MG-N can terminate this Agreement prior to its issuance of written notice to proceed with Evanston's Preliminary Project Phase Work as set forth in Section 4.01 above, for any reason, without any liability to Evanston.
- G. MG-N can terminate this Agreement after its issuance of written notice to proceed with Evanston's Preliminary Project Phase Work as set forth in Section 4.01 above, provided MG-N fully reimburses Evanston for all reasonable actual, documented costs incurred by Evanston relating only to Project consultants and Project engineering fees and expenses that are incurred by Evanston after the date of issuance of MG-N's Notice to Evanston to Proceed with Preliminary Project Phase Work. Evanston or MG-N will not be reimbursed for staff time or corporation counsel time or outside legal counsel fees and expenses.
- H. MG-N can terminate this Agreement after its issuance of written notice to proceed with Evanston's Final Engineering Design Work as set forth in Section 4.02 above, provided MG-N fully reimburses Evanston for all reasonable actual, documented costs incurred by Evanston relating only to Project consultants and Project engineering fees and expenses that are incurred by Evanston after the date of issuance of MG-N's Notice to Evanston to Proceed with Final Engineering Design Work. Evanston or MG-N will not be reimbursed by the other Party for staff time or corporation counsel time or outside legal counsel fees and expenses.
- I. MG-N can terminate this Agreement prior to acceptance of water from Evanston, provided MG-N fully reimburses Evanston for all reasonable actual, documented costs incurred by Evanston, relating only to Project consultants and Project engineering fees and expenses and construction costs that are incurred by Evanston after the date of issuance of MG-N's Notice to Evanston to Proceed with Construction as set forth in Section 4.03 above. Evanston or MG-N will not be reimbursed by the other Party for staff time or corporation counsel time or outside legal counsel fees and expenses.

#### **18.04 Default; Cure Period; Relief**

In the event any Party defaults in regard to any obligation under this Agreement, the non-defaulting Party shall send written notice of the default, with a description of the default, and a

request that the defaulting Party cure the default. Any Party deemed to be in default under this Agreement by another Party shall have a thirty (30) calendar day cure period to resolve the default to the other Party's satisfaction or to initiate and continue to take actions that are designed to cure the default in a reasonable time period so that the Party in default is in conformance with the terms of this Agreement. In the event that a default is not cured, the non-defaulting Party and the defaulting Party shall participate in the "Dispute Resolution" process contained in Section 11.01 (Negotiation) above. If the Dispute Resolution process is not successful, then either Party may seek to enforce remedies in Section 11.02 (Remedies) to enforce the provisions of this Agreement.

## **19. General Conditions**

### **19.01 Entire Agreement**

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

### **19.02 Prompt Payment**

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

### **19.03 Compliance With Laws**

The Parties to this Agreement shall comply with all applicable Federal, State and local laws, rules and regulations in carrying out the terms and conditions of this Agreement.



#### **19.04 Regulatory Bodies**

This Agreement shall be subject to all valid rules, regulations, and laws applicable hereto passed or promulgated by the United States of America, the State of Illinois, or any governmental body or agency having lawful jurisdiction, or any authorized representative or agency of any of them; provided, however, that this Section 19.04 shall not be construed as waiving the right of any Party to challenge the validity of any such rule, regulation, or law on any basis, including impairment of this Agreement.

#### **19.05 Illinois Freedom of Information Act**

The definition of a "public record" in the Freedom of Information Act (5 ILCS 140/1, *et seq.*) ("FOIA") includes a "public record that is not in the possession of a public body but is in the possession of a party with whom the agency has contracted to perform a governmental function on behalf of the public body and that directly relates to the governmental function and is not otherwise exempt under this Act." (5 ILCS 140/7(2)). Consequently, the Parties shall maintain and make available to the other Parties, upon request, their public records relating to the performance of this Agreement in compliance with the requirements of the Local Records Act (50 ILCS 205/1, *et seq.*) and FOIA.

#### **19.06 Interpretation; Headings**

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

#### **19.07 Waiver**

The failure of any Party to enforce any section, subsection, term, condition or covenant (collectively referred to as "provision") of this Agreement shall not be deemed a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with such provision and every other provision of this Agreement. No provision of this Agreement shall be deemed waived by

any Party, unless the provision to be waived and the circumstances giving rise to such waiver are set forth specifically in a duly authorized and written waiver of the Party charged with such waiver. No waiver by either Evanston or MG-N of any provision of this Agreement shall be deemed or construed as a waiver of any other provision of this Agreement, nor shall any waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or a different provision of this Agreement.

#### **19.08 No Individual or Personal Liability**

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

#### **19.09 No Third Party Beneficiaries**

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

#### **19.10 Amendments**

No amendment to this Agreement shall be effective until it is reduced to writing in an addendum and approved by the corporate authorities of the Parties. All addenda shall be executed by an authorized official of each Party. If any governmental agency with regulatory authority enacts new rules or regulations or new nationally recognized water system engineering requirements are adopted that require the method of water production or any components of the infrastructure used for the delivery

of water under this Agreement to be changed or modified, the Parties agree to negotiate an addendum to this Agreement that addresses the construction and operation of the required water system improvements to the Evanston Water Utility and/or the MG-N Water System, the cost allocation of such improvements among the Parties and the financing of such improvements.

#### **19.11 Assignment**

Except as set forth in Section 15 (MG-N Option to Create a JAWA or a Water Commission; Assignment), no Party shall assign, sublet, sell or transfer its interest in this Agreement or any of its rights or obligations under this Agreement without the prior written, mutual consent of the other Parties. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

#### **19.12 Notice**

Except as otherwise provided in this Agreement, all notices and other communications in connection with this Agreement shall be in writing and deemed to be given on the date of mailing if sent by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid, or may be delivered by messenger delivery, or overnight express mail, or personal delivery, or via facsimile, or via electronic internet mail ("e-mail") to the current mailing address(es) or email address(es) of the Parties' principal administrative offices, addressed to the Mayor/Village President or the City Administrator/City Manager/Village Manager. Facsimile notices shall be deemed valid only to the extent that they are (a) actually received by the individual to whom addressed and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three (3) business days thereafter at the appropriate address set forth below. E-mail notices shall be deemed valid only to the extent that they are (a) opened by the recipient on a business day at the address set forth below, and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three (3) business days thereafter at the appropriate address set forth below. Unless otherwise provided in this Agreement, notices shall be deemed received after the first to occur of (a) the date of actual receipt; or (b) the date that is one (1) business day after deposit with an

overnight courier as evidenced by a receipt of deposit; or (b) the date that is three (3) business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each Party to this Agreement shall have the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address shall be effective until actually received.

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

If for City of Evanston:

City Manager  
Evanston Civic Center  
2100 Ridge Avenue  
Evanston, Illinois 60201  
Phone:  
Fax:  
Email:

With copy to: Corporation Counsel (same address as City Manager)

Director  
Public Works Agency  
555 Lincoln Street  
Evanston, Illinois 60201  
Phone:  
Fax:  
Email:

If for Village of Morton Grove:  
Village Administrator

Richard T. Flickinger Municipal Center  
Village of Morton Grove  
6101 Capulina Avenue  
Morton Grove Illinois 60053  
Phone: (847) 663-3001  
Fax: (847) 370-1649  
Email: business email address

With copy to:  
Corporation Counsel (same address as Village Administrator)

Director, Public Works  
Village of Morton Grove  
7840 Nagle Avenue  
Morton Grove Illinois 60053  
Phone: 847-470-5235  
Fax: 847-965-9511  
Email: business email address

If For Village of Niles:  
Village Manager

Village of Niles  
1000 Civic Center Drive  
Niles, Illinois 60714  
Phone: (847) 588-8010  
Fax: (847) 588-8051  
Email: business email address

Corporation Counsel (same address as Village Manager)

Public Services Director  
Village of Niles  
6849 West Touhy Avenue  
Niles, Illinois 60714  
Phone: 847-588-7900  
Fax: 847-588-7950  
Email: mja@vniles.com

By notice with the foregoing requirements of this Section 19.12, the Parties shall have the right to change the addresses for all future notices and communications to itself, but no notice of such a change shall be effective until actually received.

#### **19.13 Severability**

In the event any term, provision or condition of this Agreement is held invalid by a court of competent jurisdiction, such invalidity shall not affect other terms, provisions or conditions of this Agreement which can be given effect without the invalid term, provision or condition. To this extent and purpose, the terms, provisions and conditions of this Agreement are declared severable. If any part of this Agreement is adjudged invalid, such adjudication shall not affect the validity of this Agreement as a whole or of any other part.

#### **19.14 No Separate Legal Entity; No Joint Venture or Partnership or Agency**

This Agreement establishes a cooperative intergovernmental undertaking, but the Parties do not intend to create a new or separate legal entity by entering into this Agreement. This Agreement does not establish or create a joint venture or partnership between the Parties, and no Party shall be responsible for the liabilities and debts of the other Parties hereto. No Party shall be deemed to be the agent, employee, or representative of any other Party.

#### **19.15 Independent Sovereign Status**

The Parties to this Agreement are independent, sovereign units of local government and no Party shall exercise control over either the performance of any other Party or the employees of any other Party.

#### **19.16 Effective Date**

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

#### **19.17 Authorization**

In accordance with applicable state laws, this Agreement was approved by each Party as follows:

- A. The adoption of Ordinance \_\_\_\_-O-17 by the Mayor and City Council of Evanston on the 13th day of February, 2017.
- B. The passage of Resolution Number 17-03 by the Village President and Board of Trustees of the Village of Morton Grove on the 23rd day of January 2017.
- C. The passage of Resolution Number \_\_\_\_ by the Village President and Board of Trustees of the Village of Niles on the 24th day of January 2017.

#### **19.18 Counterparts**

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

#### **19.19 Exhibits**

In the event of a conflict between any Exhibit attached hereto and the text of this Agreement, the text of this Agreement shall control. The following Exhibits are attached to this Agreement and made a part hereof:

- A. **Group Exhibit "A"**: Illustrative Example of "True-Up" Process comprised of Pages A-1 through A-7 (Page A-1: Morton Grove - Niles Water Supply Quantity Rate True Up Calculation for Service Year 2016; Page A-2: Morton Grove - Niles Water Supply Estimated Quantity Rate for Service Year 2016 Based on FY 2014 Audited Information; Page A-3: 2014 Audited Information, City of Evanston, Illinois, Water Fund – Operations and Maintenance Account, Schedule of Revenues, Expenditures, and Changes in Unreserved Fund Balance – Budget and Actual for the FY ended December 31, 2014 with Comparative Totals for FY ended December 31, 2013 (Page 157); Page A-4: Morton Grove-Niles Water Supply True Up Quantity Rate for Service Year 2016 Based on FY 2015 Audited Information; Page A-5: 2015 Audited Information, City of Evanston, Illinois, Water Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual for the FY ended December 31, 2015 (Page 123); Page

A-6: Calculation of Distribution Expenses Allocated to MG-N; Page A-7: Annual Pumpage (MG) (Water and Sewer 2015 Annual Report, Page 18).

**B. Group Exhibit “B”:** Example of Rate Calculation for MG-N Water Rate for Service Year 2017 Based on Evanston Audited Information for Fiscal Year 2015 comprised of Pages B-1 through B-21 (Pages B-1 and B-2: Example of Rate Calculation for MG-N Water Supply Prepared on 12/14/2016 by Dave Stoneback, Morton Grove - Niles Water Supply Rate Calculation for Service Year 2017, Based on FY 2015 Actual Information; Pages B-3 to B-12: Evanston Water Utility Component Sheets, Table B-1 dated 6/30/2016 (Reproduction Cost New Less Depreciation As Of December 31, 2015, Pages 1 through 10 of Burns & McDonnell Water Works Properties Valuation); Page B-13: Table B-2 dated 6/30/2016 (Reproduction Cost New Less Depreciation As Of December 31, 2015, Burns & McDonnell Water Works Properties Valuation); B-14: Table B-3 dated 6/30/2016 (Original Cost New Less Depreciation As Of December 31, 2015, Burns & McDonnell Water Works Properties Valuation); Page B-15: Table B-4 dated 6/30/2016 (OCLD and RCNLD At December 31, 2015, Burns & McDonnell Water Works Properties Valuation); Page B-16: IDNR Allocations as of November 2011; Page B-17: 2015 Audited Information, City of Evanston, Illinois, Notes to the Financial Statements for the FY ended December 31, 2015 (Page 40); Page B-18: Evanston Audited Information, City of Evanston, Schedule of Fixed Assets and Depreciation, Year ended December 31, 2014; Page B-19: Annual Pumpage, 2015 Monthly Pumpage (MG) and 2015 Average Day Pumpage (MGD)(Water and Sewer 2014 Annual Report)(Page 17); Page B-20: 2015 Audited Information, City of Evanston, Illinois, Water Fund – Schedule of Revenues, Expenditures, and Changes in Net Position – Budget and Actual for the FY ended December 31, 2015 (Page 123); Page B-21: Evanston Distribution System, Calculation of Percent of System Allocated to MG-N, Calculation of Depreciation Charges.

**C. Group Exhibit “C”:** Depreciation Rates comprised of Page C-1: Depreciation Rates (Classes of Plant included: Source of Supply, Pumping Plant, Treatment Plant, Water Plant and Transmission)

D. **Exhibit “D”**: City of Evanston Ordinance \_\_\_\_-O-17 (Approval of Water Supply Agreement Between the City of Evanston, the Village of Morton Grove and the Village of Niles)

E. **Exhibit “E”**: Village of Morton Grove Resolution Number 17-03 (Approval of Water Supply Agreement Between the City of Evanston, the Village of Morton Grove and the Village of Niles)

F. **Exhibit “F”**: Village of Niles Resolution Number \_\_ (Approval of Water Supply Agreement Between the City of Evanston, the Village of Morton Grove and the Village of Niles)

**IN WITNESS WHEREOF**, this Agreement was executed on behalf of the Parties through their authorized representatives, after all duly required corporate action was taken, as set forth below on the signature pages.

**SIGNATURE PAGES TO FOLLOW**



**SIGNATURE PAGE FOR**

**CITY OF EVANSTON**

**IN WITNESS WHEREOF**, the below authorized officials of the City of Evanston signed this Agreement pursuant to legal authorization granted to him/her under Article VII, Section 10 of the 1970 Illinois Constitution, the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) and the corporate approval granted by passage of Ordinance \_\_\_\_-O-17 by the Corporate Authorities of the City of Evanston.

**City of Evanston**

By: \_\_\_\_\_

Name: Elizabeth B. Tisdahl

Mayor, City of Evanston

Date: February \_\_\_, 2017.

**Attest:**

By: \_\_\_\_\_

Name: Rodney Greene

City Clerk, City of Evanston

Date: February \_\_\_, 2017

Approved as to form and legality:

By: \_\_\_\_\_  
W. Grant Farrar, Corporation Counsel

**SIGNATURE PAGE FOR  
VILLAGE OF MORTON GROVE**

**IN WITNESS WHEREOF**, the below authorized officials of the Village of Morton Grove have signed this Agreement pursuant to legal authorization granted to him/her under Article VII, Section 10 of the 1970 Illinois Constitution, the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) and the corporate approval granted by passage of a Resolution by the Corporate Authorities of the Village of Morton Grove.

**Village of Morton Grove**

By: \_\_\_\_\_

Name: Daniel P. DiMaria

Village President, Village of Morton Grove

Date: January 23, 2017.

**Attest:**

By: \_\_\_\_\_

Name: Connie Travis

Village Clerk, Village of Morton Grove

Date: January 23, 2017

Approved as to form and legality:

By: \_\_\_\_\_

Teresa Hoffman Liston, Village Attorney

**SIGNATURE PAGE FOR  
VILLAGE OF NILES**

**IN WITNESS WHEREOF**, the below authorized officials of the Village of Niles have signed this Agreement pursuant to legal authorization granted to him/her under Article VII, Section 10 of the 1970 Illinois Constitution, the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) and the corporate approval granted by passage of a Resolution by the Corporate Authorities of the Village of Niles.

**Village of Niles**

By: \_\_\_\_\_

Name: Andrew Przybylo

Mayor, Village of Niles

Date: \_\_\_\_\_, 2017.

**Attest:**

By: \_\_\_\_\_

Name: Marlene Victorine

Village Clerk, Village of Niles

Date: \_\_\_\_\_, 2017

Approved as to form and legality:

By: \_\_\_\_\_

Danielle Grcic, Village Attorney

## **Group Exhibit A**

**Illustrative Example of the “True-Up” Process**

**Pages A-1 through A-7**

**MORTON GROVE - NILES Water Supply  
QUANTITY RATE TRUE UP CALCULATION  
FOR SERVICE YEAR 2016**

SY 2016 Estimated Quantity Rate	\$0.3509
SY 2016 True Up Quantity Rate	\$0.3542

MONTH	YEAR	PUMPAGE (1,000 GALLONS)	ORIGINAL AMOUNT BILLED	ADJUSTED AMOUNT BILLED	DIFFERENCE
JANUARY	2016	192,500	\$ 67,548.25	\$ 68,183.50	\$ 635.25
FEBRUARY	2016	153,242	\$ 53,772.62	\$ 54,278.32	\$ 505.70
MARCH	2016	160,063	\$ 56,166.11	\$ 56,694.31	\$ 528.21
APRIL	2016	150,254	\$ 52,724.13	\$ 53,219.97	\$ 495.84
MAY	2016	153,280	\$ 53,785.95	\$ 54,291.78	\$ 505.82
JUNE	2016	175,514	\$ 61,587.86	\$ 62,167.06	\$ 579.20
JULY	2016	201,753	\$ 70,795.13	\$ 71,460.91	\$ 665.78
AUGUST	2016	226,287	\$ 79,404.11	\$ 80,150.86	\$ 746.75
SEPTEMBER	2016	198,463	\$ 69,640.67	\$ 70,295.59	\$ 654.93
OCTOBER	2016	172,448	\$ 60,512.00	\$ 61,081.08	\$ 569.08
NOVEMBER	2016	161,224	\$ 56,573.50	\$ 57,105.54	\$ 532.04
DECEMBER	2016	145,559	\$ 51,076.65	\$ 51,557.00	\$ 480.34
<b>TOTALS</b>		<b>2,090,587</b>	<b>\$ 733,586.98</b>	<b>\$ 740,485.92</b>	<b>\$ 6,898.94</b>

**TOTAL AMOUNT OWED \$ 6,898.94**

**NOTE: Monthly Pumpage amount is not actual - quantity used for illustration purposes only**

**MORTON GROVE - NILES Water Supply**  
**Estimated Quantity Rate for Service Year 2016**  
**Based on FY 2014 Audited Information**

**Quantity Charge Calculation:**

**Water Treatment Plant**

1000 Gallons

Actual usage in FY 2014 (Jan - Dec 2014)	Northwest Water Commission	7,941,653
	MG-N	2,544,132
	Evanston	2,719,978
	Skokie	2,766,348
	<b>Total</b>	<b>15,972,111</b>
FY 2014 expenses	Administration	\$1,099,395
	Pumping	\$2,023,601
	Filtration	\$2,331,616
	<b>Total</b>	<b>\$5,454,612</b>
Water Treatment Quantity Rate = Total Plant Expenses / Total Pumpage (per 1,000 gal)	<b>subtotal</b>	<b>\$0.34</b>

**Water Transmission System**

Actual pumpage in FY 2015 (1000 gallons)	Evanston	2,719,978
	Skokie	2,766,348
	MG-N	2,544,132
	<b>Total</b>	<b>8,030,458</b>
FY 2015 expenses	Distribution	\$1,444,158
	% allocated to MG-N	5.23%
		\$75,529
Water Transmission Quantity Rate = Water Transmission Expenses / Total Pumpage (per 1,000 gal)	<b>subtotal</b>	<b>\$0.01</b>

Estimated Quantity Charge =	<b>TOTAL</b>	<b>Rate</b>	
		<b>\$0.3509</b>	<b>\$892,771.27</b>

# 2014 Audited Information

## CITY OF EVANSTON, ILLINOIS

### Water Fund - Operations and Maintenance Account

Schedule of Revenues, Expenditures, and Changes in Unreserved Fund Balance - Budget and Actual  
For the Fiscal Year ended December 31, 2014  
(With Comparative Totals for the Fiscal Year ended December 31, 2013)

	Budget	Actual	Prior Period Actual
Operating Revenues			
Charges for services	\$ 13,913,400	\$ 14,379,362	\$ 13,903,482
Miscellaneous	411,316	672,370	754,266
Total Operating Revenues	14,324,716	15,051,732	14,657,748
Operating Expenses Excluding Depreciation			
Administration	933,989	1,099,395	960,028
Operations			
Pumping	2,355,718	2,023,601	2,226,781
Filtration	2,740,856	2,331,616	2,435,092
Distribution	1,425,352	1,444,158	1,389,136
Meter maintenance	300,760	280,083	249,474
Other	491,700	759,985	915,196
Total Operating Expenses Excluding Depreciation	8,248,375	7,938,838	8,175,707
Operating Income Before Depreciation	6,076,341	7,112,894	6,482,041
Depreciation	-	1,569,014	1,449,757
Operating Income	6,076,341	5,543,880	5,032,284
Nonoperating Revenues (Expenses)			
Interest Income	2,500	17,552	12,256
Change in unrealized depreciation on investments	-	(61,547)	-
Interest Expense	-	(376,677)	(298,850)
Amortization of bond discount and costs	-	1,129	1,129
Bond issuance and amortization costs	-	1,624	(19,777)
Net book value of fixed assets disposed	-	(772,649)	(60,762)
Total Nonoperating Revenues (Expenses)	2,500	(1,190,568)	(366,004)
Income Before Transfers	6,078,841	4,353,312	4,666,280
Transfers In (Out)			
General Fund	(3,356,300)	(3,369,559)	(3,356,300)
Insurance Fund	(468,492)	-	-
Total Transfers In (Out)	(3,356,300)	(3,369,559)	(3,356,300)
Net Income	\$ 2,722,541	983,753	1,309,980
Other Changes in Unreserved Net Position			
Intrafund transfers in (out) - Net Position reserved - restricted accounts		6,267,672	(4,290,942)
Increase (Decrease) in Unreserved Net Position		7,251,425	(2,980,962)
Unreserved Net Position			
Beginning of year		55,120,773	58,101,735
End of year	\$	62,372,198	\$ 55,120,773

**MORTON GROVE - NILES Water Supply**  
**True-up Quantity Rate for Service Year 2016**  
**Based on FY 2015 Audited Information**

**Quantity Charge Calculation:**

**Water Treatment Plant**

1000 Gallons

Actual usage in FY 2015 (Jan - Dec 2015)	Northwest Water Commission	7,846,900
	MG-N	2,090,587
	Evanston	2,790,010
	Skokie	2,786,870
	<b>Total</b>	<b>15,514,367</b>
FY 2015 expenses	Administration	\$1,473,338
	Pumping	\$1,752,932
	Filtration	\$2,015,362
	<b>Total</b>	<b>\$5,241,632</b>
Water Treatment Quantity Rate = Total Plant Expenses / Total Pumpage (per 1,000 gal)		<b>subtotal</b> \$0.34

**Water Transmission System**

Actual pumpage in FY 2015 (1000 gallons)	Evanston	2,790,010
	Skokie	2,786,870
	MG-N	2,090,587
	<b>Total</b>	<b>7,667,467</b>
FY 2015 expenses	Distribution	\$2,395,818
	% allocated to MG-N	5.23%
		\$125,301
Water Transmission Quantity Rate = Water Transmission Expenses / Total Pumpage (per 1,000 gal)		<b>subtotal</b> \$0.02

Actual Quantity Charge =	<b>TOTAL</b>	<b>Rate</b>	
		<b>\$0.3542</b>	<b>\$740,482.96</b>



# 2015 Audited Information

## CITY OF EVANSTON, ILLINOIS

### Water Fund

### Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Budget	Actual
<b>Operating Revenues</b>		
Charges for services	\$ 15,253,000	\$ 15,005,360
Miscellaneous	506,100	716,246
<b>Total Operating Revenues</b>	<b>15,759,100</b>	<b>15,721,606</b>
<b>Operating Expenses Excluding Depreciation</b>		
Administration	1,528,130	1,473,338
Operations		
Pumping	2,426,701	1,752,932
Filtration	2,612,781	2,015,362
Distribution	1,724,142	2,395,818
Meter maintenance	194,336	202,921
Other	19,349,100	420,562
<b>Total Operating Expenses Excluding Depreciation</b>	<b>27,835,190</b>	<b>8,260,933</b>
<b>Operating Income (Loss) Before Depreciation</b>	<b>(12,076,090)</b>	<b>7,460,673</b>
<b>Depreciation</b>	<b>-</b>	<b>2,096,633</b>
<b>Operating Income (Loss)</b>	<b>(12,076,090)</b>	<b>5,364,040</b>
<b>Non-Operating Revenues (Expenses)</b>		
Investment income	10,000	5,981
Interest Expense	(434,254)	(390,461)
Net book value of fixed assets disposed	-	302,700
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(424,254)</b>	<b>(81,780)</b>
<b>Income (Loss) Before Transfers</b>	<b>(12,500,344)</b>	<b>5,282,260</b>
<b>Transfers</b>		
Transfers (out)	(3,194,053)	(3,194,053)
<b>Total Transfers In (Out)</b>	<b>(3,194,053)</b>	<b>(3,194,053)</b>
<b>Net Income</b>	<b>\$ (15,694,397)</b>	<b>2,088,207</b>
<b>Net Position</b>		
Beginning of Year		66,279,631
Change in accounting principle		(101,305)
Prior period adjustment		(55,806)
<b>Beginning of Year, Restated</b>		<b>66,122,520</b>
<b>End of Year</b>	<b>\$</b>	<b>68,210,727</b>

(See independent auditor's report.)

## Calculation of Distribution Expenses allocated to MG-N

### Total Evanston Distribution System

pipe size dia (in)	Length (ft)	(in-ft)
3	608	1,824
4	6,621	26,484
6	387,032	2,322,192
8	152,754	1,222,032
10	67,658	676,580
12	93,238	1,118,856
14	1,950	27,300
16	33,076	529,216
18	4,389	79,002
20	2,960	59,200
24	45,430	1,090,320
30	8,912	267,360
36	17,405	626,580
42	186	7,812
48	3,568	171,264
	825,787	8,226,022

### Portion of Evanston Distribution System Used by MG-N

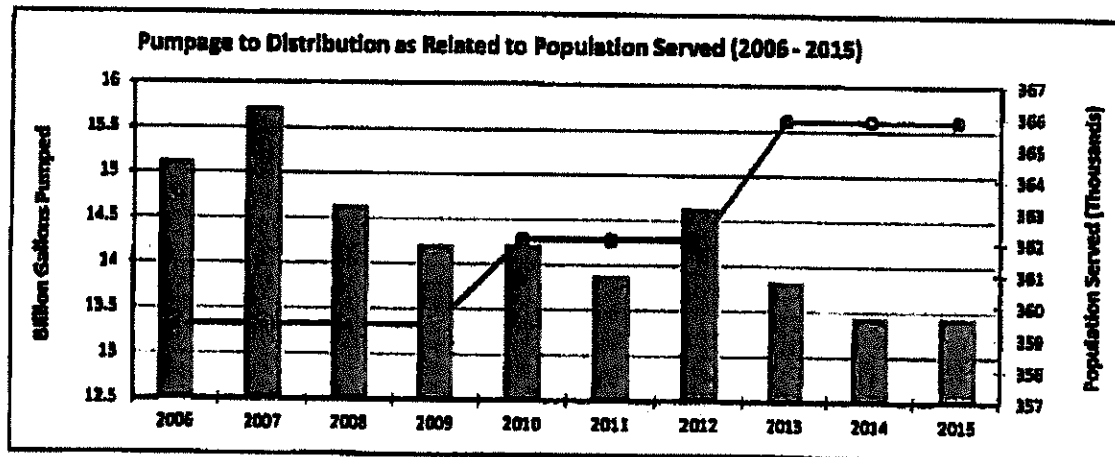
pipe size dia (in)	Length (ft)	(in-ft)
36	7,198	259,128
48	3,568	171,264
	10,766	430,392

% in-ft used by MG-N of Evanston Total  
 $430,392 / 8,226,022 = 5.23\%$

### Annual Pumpage (MG)

Year	Lake Water Pumpage	Wash Water Recycled	Total Raw Water Pumpage	Finished Water Pumpage	Pumpage To		
					Evansville	Stokely	N.W.C.
2015	13,471.823	200.285	13,672.108	13,423.808	2,780.010	2,786.886	7,846.900
2014	13,418.872	238.847	13,658.418	13,427.878	2,718.978	2,788.348	7,941.863
2013	13,925.102	247.809	14,172.711	13,814.481	2,830.278	2,787.258	8,086.827
2012	14,817.837	322.302	15,110.485	14,827.118	2,839.417	3,088.004	8,918.694
2011	13,838.818	212.428	14,152.042	13,841.187	2,881.848	2,886.652	8,082.687
2010	14,087.849	218.251	14,306.100	14,288.267	2,701.869	3,094.554	8,472.134
2009	14,363.047	193.841	14,556.888	14,360.335	3,140.888	2,829.824	8,379.613
2008	14,872.652	134.695	15,007.147	14,883.877	3,142.816	2,861.341	8,589.720
2007	16,905.381	182.088	16,087.489	16,771.481	3,207.422	3,684.781	8,999.248
2006	15,332.851	180.828	15,493.179	15,174.831	2,950.889	3,329.305	8,894.627

MG-N  
2,690,527  
2,544,132



## **Group Exhibit B**

**Example of Rate Calculation for MG-N Water Rate for Service Year 2017  
Based on Evanston Audited Information for Fiscal Year 2015**

**Pages B-1 through B-21**

# **EXAMPLE OF RATE CALCULATION FOR MG-N WATER SUPPLY**

prepared 12/14/2016 by Dave Stoneback  
**MORTON GROVE - NILES WATER SUPPLY RATE CALCULATION FOR  
 SERVICE YEAR 2017, based on FY 2016 actual information**

Page 1 of 2

## **Return on Rate Base Calculation:**

### **Water Treatment Plant Assets**

Original Cost New Less Depreciation	\$26,511,026	0.5	\$13,255,513
Reproduction Cost New Less Depreciation	\$82,689,439	0.5	\$41,344,720
Total Fair Value Rate Base			\$54,600,233
Percent allocable to MG-N based on IDNR allocations			13.13%
Fair Value Rate Base Allocated to MG-N - JAWA		<i>subtotal</i>	\$7,169,011

### **Water Transmission System Assets - Evanston/Skokie/MG-N**

Original Cost New Less Depreciation	\$332,894	0.5	\$166,497
Reproduction Cost New Less Depreciation	\$2,751,468	0.5	\$1,375,734
Total Fair Value Rate Base			\$1,542,231
Percent allocable to MG-N based on IDNR allocations			29.88%
Fair Value Rate Base Allocated to MG-N - JAWA		<i>subtotal</i>	\$460,819

### **Water Transmission System Assets - Skokie/MG-N only**

Original Cost New Less Depreciation	\$58,300	0.5	\$29,150
Reproduction Cost New Less Depreciation	\$579,133	0.5	\$289,567
Total Fair Value Rate Base			\$318,717
Percent allocable to MG-N based on IDNR allocations			44.57%
Fair Value Rate Base Allocated to MG-N - JAWA		<i>subtotal</i>	\$142,052
Fair Value Rate Base Allocated to MG-N - Total Water Utility		<b>TOTAL</b>	\$7,771,881
Fair Value Rate Base Annual Return			10.00%
Total Annual Fair Value Return on Rate Base Charge			\$777,188
Monthly Charge for Fair Value Return on Rate Base			\$64,766
Cost per 1,000 gallons for Fair Value Return on Rate Base			\$0.37

## **Depreciation Calculation:**

### **Depreciation Expense Plant**

MG-N percentage IDNR allocations			\$1,411,291
Amount of Annual Depreciation allocated to MG-N		<i>subtotal</i>	\$185,303

### **Depreciation Expense Transmission Assets - Evanston/Skokie/MG-N**

Percent allocable to MG-N based on IDNR allocations			\$7,937
Amount of Annual Depreciation allocated to MG-N		<i>subtotal</i>	\$2,372

### **Depreciation Expense Transmission Assets - Skokie/MG-N only**

Percent allocable to MG-N based on IDNR allocations			\$1,476
Amount of Annual Depreciation allocated to MG-N		<i>subtotal</i>	\$658

Total Annual Depreciation Charge		<b>TOTAL</b>	\$188,332
Monthly Charge for Depreciation			\$15,694
Cost per 1,000 gallons for Depreciation Charge			\$0.09

**MORTON GROVE - NILES WATER SUPPLY RATE CALCULATION FOR  
SERVICE YEAR 2017, based on FY 2015 actual information**

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Quantity Charge Calculation:		1000 Gallons
<u>Water Treatment Plant</u>		
Actual usage in FY 2015 (Jan - Dec 2015)	Northwest Water Commission	7,846,900
	MG-N	2,090,587
	Evanston	2,790,010
	Skokie	2,786,870
	<b>Total</b>	<b>15,514,367</b>
FY 2015 expenses	Administration	\$1,473,338
	Pumping	\$1,752,932
	Filtration	\$2,015,362
	<b>Total</b>	<b>\$5,241,632</b>
Water Treatment Quantity Rate = Total Plant Expenses / Total Pumpage (per 1,000 gal)		<b>subtotal \$0.34</b>
<u>Water Transmission System</u>		
Actual pumpage in FY 2015 (1000 gallons)	Evanston	2,790,010
	Skokie	2,786,870
	MG-N	2,090,587
	<b>Total</b>	<b>7,667,467</b>
FY 2015 expenses	Distribution	\$2,395,818
	% allocated to MG-N	5.23%
		\$125,301
Water Transmission Quantity Rate = Water Transmission Expenses / Total Pumpage (per 1,000 gal)		<b>subtotal \$0.02</b>
		<b>Rate</b>
Estimated Quantity Charge =	<b>TOTAL</b>	<b>\$0.3542 \$740,482.96</b>
Cost per 1,000 gallons for Fair Value Return on Rate Base		\$0.37
Cost per 1,000 gallons for Depreciation Charge		\$0.09
Estimated cost per 1,000 gallons for Quantity Charge		\$0.35
Total Equivalent Rate per 1,000 gallons (2017)		<b>\$0.82</b>

MG-N shall not pay or contribute to any portion of the insurance cost relative to Evanston or the Evanston Water Utility during any Term or Extended Term of this Agreement.

**Evanston Water Utility Component Sheets**

**TABLE B-1**

**REPRODUCTION COST NEW LESS DEPRECIATION AS OF DECEMBER 31, 2015  
CITY OF EVANSTON**

Location	Date Acquired	Disp Date	Old Asset#	Asset#	Description	Asset Cost	RCN Jan. 1, 1990 or year acq [1]	Index # 1990 or year acq after [2]	Trend Factor [3]	RCN Dec. 31, 2015 [4]	lowa Survivor Curve [4]	Depreciation [5]	RCNLD [6]
PUMPING	3/1/1975		17	47	15" LOW LIFT PUMP ROOM WB	26,477	336,960	8	264	616	2,333	786,240	321,048
PUMPING	1/1/1981	12/30/2013	18	49	HOT WATER CHRC PUMP	0	0	0	0	0	0.00	0	465,192
PUMPING	1/1/1981	12/30/2013	22	54	BOOSTER PMP-HYDRO-PNEUMAT	0	0	0	0	0	0.00	0	0
PUMPING	1/1/1981	12/30/2013	24	55	VACUUM PRIMING SYS-ENGINE	0	0	0	0	0	0.00	0	0
PUMPING	1/1/1981	2/27/2007	25	57	VACUUM PRIMING SYS-ENGINE	0	0	0	0	0	0.00	0	0
PUMPING	1/1/1981		26	58	VACUUM PRIMING SYS-ELEC DR	4,647	15,265	9	349	931	2,668	40,721	0
PUMPING	1/1/1981		30	64	15 MGD HIGH LIFT SERV PMP 5	27,884	206,776	9	349	931	2,668	551,600	129,788
PUMPING	1/1/1981		31	66	10 MGD HIGH LIFT SERV PMP 2	40,704	264,090	9	349	931	2,668	704,492	50,321
PUMPING	1/1/1981		33	70	DISCHARGE HEADER	77,312	471,976	8	349	931	2,668	1,295,053	296,246
PUMPING	1/1/1981		36	79	VACUUM PRIMING SYS-ELEC DR	2,289	23,731	9	349	931	2,668	63,305	14,362
PUMPING	7/1/1957		37	82	VACUUM PRIMING SYS-ELEC DR	2,526	21,094	9	349	931	2,668	56,271	12,766
PUMPING	7/1/1957		38	85	NORSHORE HEADR PMP DISCHG	5,204	23,669	8	264	616	2,333	55,694	17,364
PUMPING	7/1/1958	12/30/2013	40	87	SNP PMP HIGH LIFT PMPING ST	0	0	0	0	0	0.00	0	0
PUMPING	7/1/1961		42	91	DISCHARGE HEADER	42,082	169,861	9	349	931	2,668	453,125	162,592
PUMPING	7/1/1962		43	93	25 MGD HIGH LIFT SERV PMP 9	59,874	351,518	9	349	931	2,668	937,717	261,534
PUMPING	7/1/1962		44	96	25 MGD HIGH LIFT SERV PMP 8	59,874	351,518	8	264	616	2,333	820,209	246,254
PUMPING	3/1/1964	12/30/2013	49	109	HOT WATER TANK & PIPING	0	0	0	0	0	0.00	0	0
PUMPING	7/1/1965		52	115	E-W HEADER PMP DISCHARGE	34,152	169,306	9	349	931	2,668	451,644	183,314
PUMPING	7/1/1968	2/27/2006	54	118	20 MGD LOW LIFT SERV PMP 7	0	0	0	0	0	0.00	0	0
PUMPING	3/1/1972	2/27/2006	58	126	20 MGD H LIFT SERV PMP 7	0	0	0	0	0	0.00	0	0
PUMPING	3/1/1975	2/27/2006	59	129	BATTERY CHARGER	0	0	0	0	0	0.00	0	0
PUMPING	7/1/1976		60	133	BATTERY CHARGER POWER TNG LT	0	0	0	0	0	0.00	0	0
PUMPING	3/1/1976		61	136	15 MGD LOW LIFT SERV PMP 4	21,234	214,547	9	349	931	2,668	572,330	242,368
PUMPING	3/1/1976		62	139	15 MGD LOW LIFT SERV PMP 5	29,695	207,698	9	349	931	2,668	553,820	319,302
PUMPING	3/1/1976		63	142	15 MGD LOW LIFT SERV PMP 6	30,178	210,384	8	264	616	2,333	490,896	283,023
PUMPING	7/1/1976		65	148	LOW LIFT PMPG STAT W/CRHT	227,121	1,190,359	8	264	616	2,333	2,777,504	1,057,114
PUMPING	1/1/1980	12/31/2015	66	149	SUMP PUMP	0	0	0	0	0	0.00	0	1,680,390
PUMPING	3/1/1981	2/27/2005	67	151	H L STA CALCIUM BATTERY	0	0	0	0	0	0.00	0	0
PUMPING	3/1/1981		68	153	LOW LIFT HIGH VOLT MOTR STR	15,000	20,816	8	264	616	2,333	48,571	36,067
PUMPING	1/1/1982		69	156	CLEANOMATIC PARTS CLNR P	808	1,016	8	264	616	2,333	2,371	1,893
PUMPING	12/31/1982		71	160	UPGRADE ELEC SYS LOW LIFT	80,743	106,820	8	349	931	2,668	284,955	189,855
PUMPING	12/31/1983		72	162	UPGRADE ELEC SYS HIGH LIFT	80,743	106,820	9	349	931	2,668	284,955	189,855
PUMPING	12/31/1984		73	165	2 3/4 MGD LL PUMP	572,613	718,407	9	349	931	2,668	1,916,438	669,021
PUMPING	12/31/1984		74	167	PUMP 7 LOW LIFT VBI SOL	2,502	3,082	9	349	931	2,668	8,222	4,475
PUMPING	3/1/1985		76	170	EAST OVERHD DR PMPING	6,463	7,376	8	349	931	2,668	19,676	14,919
PUMPING	3/1/1985		77	173	36IN BUTTERFLY HWY VALVE	10,560	12,660	9	349	931	2,668	33,772	21,625
PUMPING	2/28/1986		78	175	PLANT AUTO. CSTS CONT B82	295,764	332,445	16	289	700	2,341	778,239	485,552
PUMPING	12/31/1986		80	179	FT AUTO. CSTS CONT B-82	45,372	50,318	16	289	700	2,341	117,801	72,155
PUMPING	3/1/1987		82	182	18IN BALL VALV HIGH LIFT 7	9,781	11,467	9	349	931	2,668	30,590	18,737
PUMPING	3/1/1987		83	185	REFURB PMPG STATION CRANE	16,036	17,234	8	264	616	2,333	40,213	29,367
PUMPING	3/1/1984		84	188	1894 LL SUCTION WELLS	23,518	520,603	8	264	616	2,333	1,214,740	689,096

[1] From Valuation of Evanston Water Works 12/31/1989 Provided by Alvord, Burdick & Howson

[2] Indices:

- HWM = Hardy-Whitman Index, Cost Trends of Water Utility Construction, North Central Region
- HM-8 = Pumping Plant - Structures & Improvements
- HM-9 = Pumping Plant - Electric Pumping Equipment
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- ENRCCI = Engineering News Record Construction Cost Index - 20 City

[3] Trend factor calculated using indices at respective years

[4] Iowa Type Survivor Curve estimates useful life based on condition percent factors for industrial property shown here as % of life used

[5] Depreciation calculated using Iowa Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight line approach

Burns & McDonnell Engineering Company  
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City of Evanston  
Water Works Properties Valuation

# Evanston Water Utility Component Sheets

TABLE B-1

REPRODUCTION COST NEW LESS DEPRECIATION AS OF DECEMBER 31, 2015  
CITY OF EVANSTON

Location	Date Acquired	Disp Date	Old Asset#	Asset#	Description	Asset Cost (\$)	RCN Jan. 1, 1990 or year acq [1]	Indices [2]	Index # Jan. 1, 1990 or year acq after	Trend Dec 31, 2015 [3]	RCN Disc. 31, 2015 (\$)	Iowa Survivor Curve [4] (%)	Depreciation [5] (\$)	RCNLD (\$)
PUMPING	7/1/1988		766	1039	REPLAC SEALS L. PUMP #8	9,056	10,162	9	348	931	2,668	0.79	21,344	5,784
PUMPING	2/28/1989	12/30/2013	777	1055	H.L. LOOP BALL VALVE 36IN	31,243	31,615	9	348	931	2,668	0.58	84,337	35,190
PUMPING	12/31/1989	12/30/2013	782	1061	HIGH LIFT PMP STA ROOF	0	0	0	0	0	0.000	0.00	0	0
PUMPING	12/31/1989		786	1069	SEWAGE EJECTOR	0	0	0	0	0	0.000	0.00	0	0
PUMPING	12/31/1989		804	1101	SUCTION WELL COMB STARTERS	1,101	1,084	8	264	616	2,333	0.76	1,918	612
PUMPING	8/31/1992		805	1103	FLAMMABLE LIQ STOR CABINET	579	586	ENRCCI	4680	10037	2,145	0.76	953	304
PUMPING	12/31/1982		809	1108	HPS LUBES GAR 3HEI PORT	2,625	3,300	8	264	616	2,333	0.78	6,009	1,691
PUMPING	12/31/1984		810	1110	WEST LOW LIFT ALUM DOORS	3,135	3,658	8	264	616	2,333	0.76	6,472	2,064
PUMPING	2/27/2006		811	1112	N 7 L L SUCTON PIPING MOD	0	0	0	0	0	0.000	0.00	0	0
PUMPING	12/31/1986		812	1114	COND RECEIVER LEVEL CONTR	0	0	0	0	0	0.000	0.00	0	0
PUMPING	12/31/1987	22/7/2007	813	1116	BOILER COND LEVEL CONTROL	0	0	0	0	0	0.000	0.00	0	0
PUMPING	2/28/1990		823	1128	WINDOW FRAME REPLACEMENT	7,850	7,850	8	264	616	2,333	0.76	13,886	4,428
PUMPING	12/31/1991		872	1211	A81 ELECT SUBSTATION WGR	692,235	692,235	9	368	931	2,530	0.53	929,430	821,851
PUMPING	6/25/1991		873	1213	250 KW GENERATOR HOOK-UP	6,045	6,045	9	368	931	2,530	0.74	15,114	5,239
PUMPING	12/31/1991		874	1215	5KV CABLE REPLACEMENT	9,458	9,458	9	368	931	2,530	0.73	17,374	6,554
PUMPING	12/31/1991		875	1217	6IN PLANT SERV RPZ	5,748	5,748	9	368	931	2,530	0.81	11,835	2,706
PUMPING	1/1/1982		887	1239	HL 5KV MTR STR CNTR	125,237	163,337	9	348	931	2,668	0.68	295,519	141,536
PUMPING	6/31/1982		894	1253	MECHANICAL SEALS-PMP#811	9,156	9,156	8	281	616	2,192	0.81	16,336	3,735
PUMPING	12/31/1982		895	1255	A80 HL PUMP 3	269,648	269,648	9	368	931	2,412	0.52	335,125	314,244
PUMPING	8/5/1992		896	1257	A80 2 HL SV F-32-F-33	130,550	130,550	9	368	931	2,412	0.52	163,735	152,141
PUMPING	12/31/1992		913	1291	7 MOTOR PROTECT IQ1000	17,646	17,646	8	281	616	2,192	0.80	30,854	7,830
PUMPING	1/1/1991		924	1310	HL PMP STA WICRANE & HOIST	654,728	4,710,404	8	284	616	2,333	0.74	7,144,113	3,846,830
PUMPING	7/21/1993		932	1326	IQ1000 MOTOR PROTECT	6,200	6,200	8	295	616	2,088	0.78	10,103	2,844
PUMPING	12/31/1993		933	1328	HEAT EXCH 6 HL AFT COOLER	12,831	12,831	9	428	931	2,175	0.78	21,778	6,131
PUMPING	12/21/1995		987	1424	LL HOIST MODIF	9,471	9,471	8	312	616	1,974	0.38	11,678	1,163
PUMPING	9/25/1995		988	1426	20 KVA X-FORMER LL BASE	1,780	1,780	9	450	931	2,069	0.38	3,354	2,300
PUMPING	12/31/1995		991	1432	YEOMAN SUMP PUMP HL BSMIT	2,288	2,288	8	312	616	1,974	0.74	4,517	1,163
PUMPING	12/31/1995		992	1434	LL6 NAT GAS ENGINE	66,243	66,243	9	450	931	2,069	0.58	137,049	59,034
PUMPING	2/27/1997		1032	1505	HI-PRESS GAS PIPING	6,539	6,539	8	312	616	1,974	0.65	8,917	4,783
PUMPING	3/31/1996	12/31/2015	1033	1506	#7 H.L. ENGINE REBUILD	49,779	49,779	9	489	931	1,904	0.72	68,413	26,360
PUMPING	10/1/1996		1034	1507	H.L. #3 VOLT. CTLR	23,970	23,970	9	473	931	1,968	0.72	34,057	13,123
PUMPING	6/10/1997		1046	1519	DEHUMIDIFIER - LL & HL BASE	96,188	96,188	9	489	931	1,904	0.84	152,979	30,152
PUMPING	2/28/1998		1051	1524	#2 H.L. ENGINE INSTALL	147,540	147,540	9	505	931	1,844	0.61	165,029	106,971
PUMPING	11/24/1998	12/30/2013	1065	1539	PMP SHOP WINDOW MODIF.	0	0	0	0	0	0.000	0.00	0	0
PUMPING	2/28/1998		1067	1540	#5 L.L. ENGINE INSTALL	77,059	77,059	9	530	931	1,757	0.58	78,882	56,467
PUMPING	7/26/1999		1068	1541	#7 L.L. ENGINE INSTALL	157,172	157,172	9	530	931	1,757	0.58	160,880	115,188
PUMPING	2/29/2000	12/30/2013	1079	1552	PERMETER FENCE S.E. SECTION	3,267	3,267	8	351	616	1,755	0.77	4,438	1,330
PUMPING	12/31/1996		1080	1553	CONTROL RM HEAT/AC	0	0	0	0	0	0.000	0.00	0	0
PUMPING	2/15/2000		1085	1557	REMAINING ASSET #81 PMPING (HL	932,610	1,060,493	9	349	931	2,568	0.81	1,732,801	1,096,193
PUMPING			1086	1558	NEW ENGINE HL#6 (ASSET#81)	241,903	241,903	9	531	931	1,753	0.77	325,357	97,771

[1] From Valuation of Evanston Water Works 12/31/1989 Provided by Alvord, Burdick & Howson

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ENRCCI = Engineering News Record Construction Cost Index - 20 City

[3] Trend factor calculated using Indices at respective years

[4] Iowa Type Survivor Curve estimates useful life based on condition percent factors for industrial property - shown here as % of life used

[5] Depreciation calculated using Iowa Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight line approach

Burns & McDonnell Engineering Company  
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City of Evanston  
Water Works Properties Valuation



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CITY OF EVANSTON

Location	Date Acquired	Dep Date	Old Asset#	Asset #	Description	Asset Cost (\$)	RCN Jan. 1, 1990 or year acq [1]	Indices [2]	Index # Jan. 1, 1990 or year acq after	Index # Dec 31, 2015	Trend Factor [3]	RCN Dec. 31, 2015 (\$)	Iowa Survivor Curve [4] (%)	Depreciation [5] (\$)	RCNLD (\$)
PUMPING	7/10/2001		1110	1582	HL#9	7,530	7,530	9	516	931	1.804	13,587	0.87	11,840	1,747
PUMPING	12/18/2001		1111	1583	HL#3 CONV TO DUAL DR	321,081	321,081	9	516	931	1.804	579,315	0.50	251,144	288,171
PUMPING	11/12/2002		1125	9520	HL#4 PUMP & ENGINE REPLACEMENT	653,293	673,293	9	534	931	1.743	1,173,849	0.25	290,400	883,450
PUMPING	12/14/2004			36396	STATION BATTERIES	24,015	24,015	9	604	931	1.541	37,016	0.27	9,863	27,153
PUMPING	9/13/2005			38367	LOW LIFT # 4 ENGINE REPL	128,589	128,589	9	620	931	1.502	193,091	0.38	72,501	120,589
PUMPING	1/31/2006			38375	HI LIFT # 7 PUMP REPL	104,507	104,507	9	639	931	1.487	152,263	0.16	24,300	127,962
PUMPING	11/28/2006			39239	LOW LIFT PUMP # 7	557,929	557,929	9	639	931	1.487	812,862	0.15	121,683	691,199
PUMPING	3/1/2007			39642	LOW LIFT VACUUM PRIMING SYSTEM	36,175	36,175	9	640	931	1.485	52,624	0.28	15,013	37,611
PUMPING	10/28/2008			40221	#4 HL REPLACEMENT MOTOR GE	36,765	36,765	9	679	931	1.371	50,410	0.27	13,431	36,978
PUMPING	12/21/2010			41050	SOLAR PILOT PANELS	144,772	144,772	8	544	616	1.132	163,833	0.24	38,981	124,952
PUMPING	12/1/2012			41046	MASONRY PUMPING STATION	95,298	95,298	8	544	616	1.132	107,811	0.38	40,518	67,393
PUMPING	9/30/2013			42024	HL PUMP STA WINDOW REPLACMT	52,000	52,000	8	573	616	1.075	55,902	0.15	8,368	47,534
PUMPING	5/14/2013			42526	SWITCHGEAR	628,402	628,402	8	844	931	1.103	693,178	0.15	103,764	589,414
PUMPING	12/31/2013			42518	SECURITY DOOR REPLACEMENT	24,840	24,840	8	551	616	1.060	26,336	0.10	2,532	23,704
PUMPING	3/31/2014			42500	ARC FLASH & ELECTRICAL STUDY	54,915	54,915	9	900	931	1.103	60,576	0.19	11,458	49,117
PUMPING	3/31/2014			10098	INSRR LUBE STATION	22,455	22,455	9	900	931	1.034	23,228	0.13	3,015	20,212
PUMPING	5/28/2014			10100	SECURITY IMPROVEMENTS B2FP	84,108	84,108	9	900	931	1.034	87,008	0.18	16,458	70,548
PUMPING	8/17/2004			10104	SCADA SYSTEM	304,318	304,318	9	900	931	1.034	314,800	0.13	40,872	273,927
PUMPING	7/25/2011			36425	480 VOLT SWITCHGEAR REPLACEMENT	74,102	74,102	9	604	931	1.541	114,221	0.50	56,574	57,647
PUMPING	11/8/2010			41490	1897 ROOF SWITCHGEAR REPLACEMENT	83,500	83,500	8	557	616	1.106	92,345	0.19	17,468	74,877
PUMPING	7/28/2015			41005	WATER TREATMENT FACILITY ROOF	109,845	109,845	8	544	616	1.132	124,384	0.24	29,577	84,807
PUMPING				10317	ROOF 1 and 31	140,373	140,373	8	616	616	1.000	140,373	0.00	0	140,373
						\$3,365,400	17,892,873					39,330,285		22,486,209	18,948,076

(1) From Valuation of Evanston Water Works 12/31/1989 Provided by Alvord, Burdick & Howson

(2) Indices:

HWI = Hardy-Whitman Index, Cost Trends of Water Utility Construction, North Central Region

Line 8 = Pumping Plant - Structures & Improvements

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(3) Trend factor calculated using indices of respective years

(4) Iowa Type Survivor Curve estimates useful life based on condition percent factors for industrial property, shown here as % of life used

(5) Depreciation calculated using Iowa Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight-line approach

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CITY OF EVANSTON

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SOURCE	3/1/1969		1	9	1909 36IN CI PIPE INTAKE	44,888	1,001,886	ENRCCI	4680	10037	2,145	0.65	923,219	1,225,483
SOURCE	3/1/1969		2	13	1909 42IN CI PIPE INTAKE	56,452	1,291,123	ENRCCI	4680	10037	2,145	0.65	1,188,746	1,579,271
SOURCE	7/1/1957		3	14	48IN INTAKE BRANCH CONN.	15,754	63,320	ENRCCI	4680	10037	2,145	0.74	72,863	62,916
SOURCE	7/1/1957		5	18	36IN INTAKE BRANCH	68,821	94,782	ENRCCI	4680	10037	2,145	0.74	109,087	94,178
SOURCE	7/1/1957		6	20	SOUTH SHORE SCREEN WELL	153,713	798,896	ENRCCI	4680	10037	2,145	0.74	1,180,670	534,833
SOURCE	7/1/1957		7	23	NORTH SHORE SCREEN WELL	153,713	798,896	ENRCCI	4680	10037	2,145	0.74	1,180,670	534,833
SOURCE	7/1/1957		8	25	INTAKE TUNNEL	171,942	946,233	ENRCCI	4680	10037	2,145	0.74	1,180,670	534,833
SOURCE	7/1/1957		9	28	48IN CI PIPE SOURCE INTAK	387,092	930,432	ENRCCI	4680	10037	2,145	0.74	1,396,088	632,079
SOURCE	7/1/1969		10	30	TRAVELING WATER SCREENS	38,865	93,196	ENRCCI	4680	10037	2,145	0.72	955,854	825,139
SOURCE	12/31/1976		11	32	TRAVELING WATER SCREENS	38,865	93,196	ENRCCI	4680	10037	2,145	0.72	143,420	56,453
SOURCE	12/31/1976		12	34	54IN CONCRETE PIPE INTAKE	32,040	77,465	ENRCCI	4680	10037	2,145	0.56	59,562	106,574
SOURCE	12/31/1976		13	37	54IN CONCRETE PIPE INTAKE	884,850	1,675,274	ENRCCI	4680	10037	2,145	0.56	1,288,093	2,304,797
SOURCE	12/31/1976		14	39	54IN CONCRETE PIPE INTAKE	740,385	1,177,305	ENRCCI	4680	10037	2,145	0.56	1,160,802	1,384,115
SOURCE	12/31/1990		15	42	54IN CONCRETE PIPE INTAKE	1,034,251	2,536,507	ENRCCI	4680	10037	2,145	0.56	1,950,292	3,486,658
SOURCE	3/1/1954		16	44	1894 6FT RAW WATER TUNNEL	3,644	158,631	ENRCCI	4680	10037	2,145	0.74	340,209	147,216
SOURCE	12/31/1990		827	1136	48IN RAW WATER INTAKE/EXT	77,149	77,149	ENRCCI	4777	10037	2,101	0.46	162,099	74,178
SOURCE	10/1/1991		934	1219	COMB STARTERS A1 & A2 VLV	3,115	3,115	ENRCCI	4888	10037	2,053	0.81	6,396	1,190
SOURCE	12/31/1993	12/31/2015	934	1330	ZEBRA MUSSEL CONTROL AS2	0	0	ENRCCI	0	0	0.000	0	0	0
SOURCE	7/7/1983		935	1332	A3VJ ELEC STARTER	3,585	3,585	ENRCCI	5336	10037	1,881	0.78	5,262	1,481
SOURCE	7/7/1983		935	40686	REHAB 1894 WELL	702,139	702,139	ENRCCI	8938	10037	1,123	0.29	224,396	563,537
SOURCE	2/9/2010		40707	54	INTAKE ANCHOR ICE CONTROL	584,537	584,537	ENRCCI	8938	10037	1,123	0.38	246,468	409,943
SOURCE	12/31/1993	2/27/2010	834	133001	HDPE PIPE REPLACED	5,065,781	13,095,688	0	0	0	0.000	0	12,563,431	14,076,673
											26,582,103			

[1] From Valuation of Evanston Water Works 12/31/1989 Provided by Alvard, Burdick & Howson  
[2] Indices:

- HMI = Handy-Whitman Index, Cost Trends of Water Utility Construction, North Central Region
- Line 8 = Pumping Plant - Structures & Improvements
- Line 9 = Pumping Plant - Electric Pumping Equipment
- Line 15 = Water Treatment Plant - Structures & Improvements
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- ENRCCI = Engineering News Record Construction Cost Index - 20 City

[3] Trend factor calculated using indices at respective years  
[4] Iowa Type Survivor Curve estimates useful life based on condition percent factors for industrial property, shown here as % of life used  
[5] Depreciation calculated using Iowa Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight line approach

Evanston Water Utility Component Sheets

TABLE B-1

REPRODUCTION COST NEW LESS DEPRECIATION AS OF DECEMBER 31, 2015  
CITY OF EVANSTON

Location	Date Acquired	Dep Date	Old Asset#	Asset #	Description	Asset Cost (\$)	RCN Jan. 1, 1990 or year acq [1]	Index # 1990 or year acq after	Index # Dec 31, 2015	Trend Factor	RCN Dec. 31, 2015 (\$)	lowe Survivor Curve [4]	Depreciation [5] (\$)	RCNLD (\$)
TREATMENT	3/1/1975		85	190	'15 FILTER BUILDING #1	26,512	309,759	15	264	616	2,333	0.75	545,249	177,522
TREATMENT	3/1/1975		86	193	'15 RAPID SAND FILTERS 12MGD S	57,357	391,404	16	289	700	2,341	0.75	691,267	225,083
TREATMENT	3/1/1975		87	196	'23 FILTER BUILDING #2	20,983	124,684	15	264	616	2,333	0.78	227,021	63,908
TREATMENT	7/1/1983		88	198	'23 CLEAR WELLS #3 & #4	76,848	536,505	16	299	700	2,341	0.87	836,947	419,185
TREATMENT	7/1/1983		89	200	RAPID SAND FILTERS #3 ADD	140,073	391,404	16	299	700	2,341	0.87	610,517	305,814
TREATMENT	3/1/1994		90	203	'34 CLEAR WATER RESERV SNG	119,506	3,339,993	16	337	700	2,077	0.89	4,790,547	2,147,133
TREATMENT	3/1/1947		91	204	YD PIPING CLEARWELL PUMPS	877	55,895	16	299	700	2,341	0.74	82,837	46,221
TREATMENT	1/1/1951		95	208	WASH WATER PUMP #3 10MGD	10,168	108,543	16	299	700	2,341	0.74	235,963	18,151
TREATMENT	1/1/1951		96	209	WASH WATER PUMP #4 10MGD	10,168	108,543	16	299	700	2,341	0.74	235,963	18,151
TREATMENT	1/1/1951		97	212	SLOW MIXING EQUIP 2 UNITS	37,018	282,297	16	299	700	2,341	0.74	680,896	0
TREATMENT	1/1/1951		98	214	RAPID SAND FILTERS #6 ADD	87,841	971,947	16	299	700	2,341	0.74	1,740,059	535,403
TREATMENT	1/1/1951		99	217	FILTER BUILDING #3	110,895	846,459	15	264	616	2,333	0.74	1,508,404	527,842
TREATMENT	1/1/1951		100	220	FILTERED WATER PIPELINES	115,819	691,627	16	299	700	2,341	0.74	985,574	653,619
TREATMENT	1/1/1951		101	223	CLEAR WELLS #5 & #6	143,426	888,529	16	299	700	2,341	0.74	1,240,467	839,701
TREATMENT	1/1/1951		102	226	RAPID SAND FILTERS 24 MGD S	194,384	759,660	16	289	700	2,341	0.74	1,080,554	717,914
TREATMENT	1/1/1951		103	229	CHEMICAL BUILDING STRUCT	276,597	1,608,793	15	264	616	2,333	0.74	2,870,591	883,259
TREATMENT	1/1/1951		104	232	SETTLING AND SETTLING BASINS	364,467	1,148,100	16	299	700	2,341	0.74	1,602,852	1,085,008
TREATMENT	1/1/1951		105	235	MIXING AND SETTLING BASINS	436,673	2,751,404	16	299	700	2,341	0.74	3,841,210	2,600,204
TREATMENT	7/1/1965		109	245	ELECT TRAV HOIST MONORAIL	3,253	13,536	15	264	616	2,333	0.75	23,704	7,880
TREATMENT	7/1/1965		113	252	ELEVATOR REMOVED 1963	8,813	67,678	15	264	616	2,333	0.75	118,515	39,400
TREATMENT	7/1/1965		114	256	WASH WEAR DRAIN PT PIPING	10,137	88,358	16	299	700	2,341	0.68	95,838	111,021
TREATMENT	7/1/1965		116	259	WASH WATER PUMP DISC HEAD	26,173	118,565	16	299	700	2,341	0.68	104,913	112,664
TREATMENT	7/1/1965		117	262	WASH WATER PUMP #1 20 MGD	33,697	216,522	16	299	700	2,341	0.68	342,750	164,157
TREATMENT	7/1/1965		120	270	CARBON SLURRY SYSTEM	53,820	223,578	16	299	700	2,341	0.75	392,832	130,597
TREATMENT	7/1/1965		121	273	ALUM SULPH SYS LIQ AL SYS	56,032	254,349	16	299	700	2,341	0.75	446,895	148,570
TREATMENT	7/1/1965		122	276	LOW LIFT DISCH PIPE LINES	86,895	361,763	16	299	700	2,341	0.68	503,160	343,757
TREATMENT	7/1/1965		124	282	SURFACE WASH PUMP	80,654	345,613	16	299	700	2,341	0.68	480,995	328,601
TREATMENT	7/1/1965		125	285	FILTER BUILDING #4	97,481	427,077	15	264	616	2,333	0.68	503,239	493,274
TREATMENT	7/1/1965		126	286	CLEAR WELLS #1 AND #2	110,804	1,620,947	16	299	700	2,341	0.68	1,758,169	2,038,690
TREATMENT	7/1/1965		127	291	CHEMICAL BUILDING ADDITIO	112,052	481,558	15	264	616	2,333	0.68	567,436	556,189
TREATMENT	7/1/1965		130	300	CLEAR WELLS #7 AND #8	210,116	967,854	16	299	700	2,341	0.68	1,048,788	1,216,091
TREATMENT	7/1/1965		131	301	RAPID SAND FILTERS #3 ADD	207,390	683,694	16	299	700	2,341	0.68	741,572	859,049
TREATMENT	7/1/1965		132	304	MIXING & SETTLING BASINS	926,228	4,304,900	16	299	700	2,341	0.68	5,967,315	4,090,344
TREATMENT	10/15/1973		133	307	FILTER WASH WAST ASSET BAS	606,272	1,395,675	16	299	700	2,341	0.59	1,622,628	1,544,838
TREATMENT	7/1/1977	12/31/2015	135	311	BUTTERFLY VALVE 30IN PNEU	0	0	16	0	0	0.000	0.00	0	0
TREATMENT	12/31/1977		136	314	FIBERGLASS PHOSPHAT TK PM	7,707	12,703	16	299	700	2,341	0.72	21,468	8,272
TREATMENT	3/1/1979		137	317	2 CENTRIFUGAL PUMPS	2,385	3,552	16	299	700	2,341	0.77	7,085	2,167
TREATMENT	3/1/1981		138	319	RIN FORCE MAIN	3,496	6,508	15	264	616	2,333	0.74	11,276	3,909
TREATMENT	3/1/1982		141	326	ADJUSTMENTS 1982	55,067	69,235	15	264	616	2,333	0.51	60,730	100,818
TREATMENT	3/1/1982		142	329	IMPROV MNG BASINS #1 & #2	219,223	278,753	16	299	700	2,341	0.51	245,329	407,270
TREATMENT	7/1/1982		143	332	20" BUTTERFLY VALVES 88 ADD	9,009	11,455	16	299	700	2,341	0.51	9,982	16,836
TREATMENT	12/31/1983		144	338	UPGRADE 12-2MGD FILT WBF	899,653	1,077,653	16	299	700	2,341	0.49	740,678	1,782,295

[1] From Valuation of Evanston Water Works 12/31/1989 Provided by Alford, Burdick & Howson

[2] Indices:

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- ENRCCI = Engineering News Record Construction Cost Index - 20 City

[3] Trend factor calculated using indices at respective years

[4] lowe Type Survivor Curve estimates useful life based on condition percent factors for industrial property, shown here as % of life used

[5] Depreciation calculated using lowe Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight line approach

Burns & McDonnell Engineering Company  
Kansas City, Missouri

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City of Evanston  
Water Works Properties Valuation

Evanston Water Utility Component Sheets

TABLE B-1

REPRODUCTION COST NEW LESS DEPRECIATION AS OF DECEMBER 31, 2015  
CITY OF EVANSTON

Location	Date Acquired	Disp Date	Old Asset #	Description	Asset Cost (\$)	RCN Jan. 1, 1990 or year acq [1]	Indices [2]	Index # 1990 or year acq after	Trend Factor Dec 31, 2015	Survivor (%)	Depreciation [5] (\$)	RCNLD (\$)		
TREATMENT	2/28/1985	2/27/2011	147	345	6 FILT INFLU BUTTR VALVES	48,893	55,475	16	289	700	2,341	129,875	83,160	46,715
TREATMENT	3/1/1985		149	350	DEHUM CARGO GR WEST FLTR	0	0	0	0	0.00	0	0	0	0
TREATMENT	3/1/1985	12/31/2014	150	352	FILT CONTR UPGRD WEST FLT	0	0	0	0	0.00	0	0	0	0
TREATMENT	2/28/1986		151	355	SYSTEM AUTOMAT CHEM BLDG	575,801	638,576	16	289	700	2,341	1,494,994	932,671	562,323
TREATMENT	2/28/1986		152	357	SYSTEM AUTOM TREAT PLANT	299,764	332,445	16	289	700	2,341	778,298	485,551	292,747
TREATMENT	12/31/1986		156	363	LOW LFT SUPP TO FLASH MIX	7,766	8,559	15	264	616	2,333	19,971	12,233	7,738
TREATMENT	12/31/1986		157	365	ENG COSTS SYSTEM AUTOMATI	87,664	97,243	16	289	700	2,341	227,659	139,445	88,215
TREATMENT	3/1/1987		160	373	22 FLUOR FEED PUMPS	1,023	1,099	15	264	616	2,333	2,564	2,054	510
TREATMENT	3/1/1987		161	376	TWO FLUORIDE FEED PUMPS	2,218	2,388	16	289	700	2,341	5,591	4,478	1,113
TREATMENT	3/1/1987		164	382	TWO POLYMER FEED PUMPS	8,985	9,684	16	289	700	2,341	22,672	18,158	4,513
TREATMENT	3/1/1987	12/31/2014	165	384	FILT CONTR UPGRD EAST PL	0	0	0	0	0.00	0	0	0	0
TREATMENT	1/1/1982		244	626	2 30X18 SPOOL PIECES	464	590	16	289	700	2,341	1,381	859	522
TREATMENT	1/1/1982	12/31/2015	245	629	BRASS NOZZLES SURFACE WASH	0	0	0	0	0.00	0	0	0	0
TREATMENT	1/1/1982		246	632	4 30IN UNI-FLANG FIL14&18	2,084	2,650	16	289	700	2,341	6,204	3,860	2,344
TREATMENT	1/1/1982		249	641	FILTER 14 & 18 30IN BFV	12,833	16,316	16	289	700	2,341	38,203	14,432	23,771
TREATMENT	2/1/1988	2/27/2009	755	1019	2 CHLORINE CYLINDER SCALE	0	0	0	0	0.00	0	0	0	0
TREATMENT	5/1/1988	2/27/2005	758	1025	ROOF SERVICE BUILDING	0	0	0	0	0.00	0	0	0	0
TREATMENT	5/1/1988		759	1027	MATERIAL FOR INST. FIL.	1,350	1,399	15	264	616	2,333	3,264	2,570	894
TREATMENT	1/1/1988	12/30/2013	769	1044	CARBON DUST COLLECTOR	6,140	6,378	16	289	700	2,341	14,932	11,544	3,387
TREATMENT	12/31/1989		800	1094	HEAD HOUSE ROOF	0	0	0	0	0.00	0	0	0	0
TREATMENT	12/31/1989		801	1095	SLUDGE LINE EXTENSION	361,450	355,853	15	264	616	2,333	830,557	198,115	632,442
TREATMENT	12/31/1989		803	1099	SLUDGE LINE APPURTENANCES	220,715	217,358	15	264	616	2,333	507,169	384,550	122,619
TREATMENT	7/3/1989		806	1105	FLAMMABL LIQ STOR CABINET	443	447	ENRCCI	4680	10037	2,145	959	727	232
TREATMENT	12/31/1985		818	1121	CONTROL ROOM HVAC	4,530	5,146	15	264	616	2,333	12,007	8,916	3,091
TREATMENT	12/31/1986	12/31/2014	820	1124	ADDL FILTER CONTR EAST PL	0	0	0	0	0.00	0	0	0	0
TREATMENT	2/28/1990		825	1132	RECT DRAIN VLVSE EFF VLV4	43,920	43,920	16	303	700	2,310	101,465	47,989	53,476
TREATMENT	10/23/1990		837	1155	FLASH MIX EQUIP	47,475	47,475	16	303	700	2,310	109,678	81,444	28,234
TREATMENT	9/7/1990		840	1160	METERING PUMPS/ALUM	7,851	7,851	16	303	700	2,310	18,137	13,468	4,669
TREATMENT	5/22/1990		841	1162	SECURITY EQUIPMENT	1,675	1,675	16	303	700	2,310	3,869	2,873	986
TREATMENT	11/20/1990		842	1164	SUMP PUMPS-3 LEVEL	945	945	ENRCCI	4777	10037	2,101	1,986	1,506	480
TREATMENT	12/31/1990		843	1165	FIRE SAFETY CABINET LAB	1,363	1,363	16	303	700	2,310	3,148	2,338	811
TREATMENT	12/31/1990		844	1167	CREM FEEDER DRIVE MOTOR	373	373	ENRCCI	4777	10037	2,101	783	582	202
TREATMENT	12/31/1991		884	1233	UPGRADE L304 & T304	9,956	9,956	15	269	616	2,290	22,798	18,556	4,242
TREATMENT	6/25/1991	2/27/2007	885	1235	CHLORINATORS V100-3	0	0	0	0	0.00	0	0	0	0
TREATMENT	3/1/1992	12/31/2015	890	1245	WPLT GLNITE WORK TREAT	0	0	0	0	0.00	0	0	0	0
TREATMENT	2/28/1992		892	1249	FILTER SWITCHGEAR	72,924	72,924	16	321	700	2,181	159,024	84,397	74,628
TREATMENT	12/31/1992		901	1267	A90 IMPR MAG BASINS 3&4	761,780	761,780	16	321	700	2,181	1,661,203	1,054,701	606,501
TREATMENT	12/31/1992		902	1269	A90 W 36IN CLEARWELL PIP	151,711	151,711	16	321	700	2,181	330,834	89,520	241,314
TREATMENT	12/31/1992		903	1271	A90 W FILTER INF PIPING	273,993	273,993	16	321	700	2,181	597,483	161,674	435,816
TREATMENT	12/31/1992		904	1273	B91 FLUORIDE FEED SYSTEM	134,917	134,917	16	321	700	2,181	294,212	125,279	168,934
TREATMENT	12/31/1992		905	1275	B91 W PLANT GRAT & HANDRL	8,198	8,198	16	321	700	2,181	17,878	7,613	10,265

[1] From Valuation of Evanston Water Works 12/31/1989 Provided by Alvord, Burdick & Howen

[2] Indices:

HWI = Henry-Whitman Index, Cost Trends of Water Utility Construction, North Central Region

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[3] Trend factor calculated using indices at respective years

[4] Lower Type Survivor Curve estimates useful life based on condition percent factors for industrial property - shown here as % of life used

[5] Depreciation calculated using lower Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight line approach

Evanston Water Utility Component Sheets

TABLE B-1

REPRODUCTION COST NEW LESS DEPRECIATION AS OF DECEMBER 31, 2015  
CITY OF EVANSTON

Location	Date Acquired	Drop Date	Old Asset #	Asset #	Description	Asset Cost	RCN Jan. 1, 1990 or Year acq [1]	Indices [2]	Index # 1990 or Year acq after	Trend Dec 31, 2015	RCN Dec. 31, 2015 Factor	Survivor Curve [4]	Depreciation [5]	RCNLD [3]
TREATMENT	12/31/1992		906	1277	B81 LL PIPING	397,404	397,404	16	321	700	2,181	0.43	366,013	497,900
TREATMENT	8/4/1992		907	1279	ADDN #803 SLUDGE LINE	4,988	4,988	16	321	700	2,181	0.80	8,676	2,202
TREATMENT	12/31/1992		908	1281	CLEAR WEL VLV F3, F4	25,969	25,969	16	321	700	2,181	0.43	24,114	32,517
TREATMENT	6/7/1992		909	1283	SUMP PUMP W-3 SUB	4,128	4,128	16	321	700	2,181	0.81	7,326	1,875
TREATMENT	7/9/1992		910	1285	PRAT LIN ACT FIL 153/16-2	3,813	3,813	16	321	700	2,181	0.80	6,632	1,883
TREATMENT	11/18/1992		911	1287	PHOSPHATE FEED SYSTEM	5,339	5,339	16	321	700	2,181	0.80	11,942	2,396
TREATMENT	12/31/1992		912	1289	DEHUM CARGO CR EAST FLTR	51,978	51,978	16	321	700	2,181	0.82	58,580	94,767
TREATMENT	12/14/1993		944	1348	PRAT DUR ACT-12 63 ADDN	30,068	30,068	16	321	700	2,181	0.78	50,073	14,096
TREATMENT	12/31/1993		945	1350	PHOS FEED SYSTEM	2,300	2,300	16	328	700	2,134	0.78	3,830	1,078
TREATMENT	9/19/1993		946	1352	PRAT LIN ACT FIL 138/14	3,814	3,814	16	328	700	2,134	0.80	8,140	1,648
TREATMENT	9/27/1994		968	1387	SUMBERS SLUDGE PUMP	20,463	20,463	16	337	700	2,077	0.76	32,389	10,115
TREATMENT	9/13/1994		970	1391	PHOS FEED SYSTEM ADDN	14,785	14,785	16	337	700	2,077	0.76	23,402	7,508
TREATMENT	11/8/1994		971	1393	PRAT DUR ACT-15 63 ADDN	57,988	57,988	16	337	700	2,077	0.76	91,786	28,564
TREATMENT	9/13/1994	12/31/2014	974	1398	UPGRADE PH I INSTRISOFTWR	0	0	0	0	0	0.000	0.00	0	0
TREATMENT	5/24/1994		978	1408	FLUORIDE X-FER PUMP	2,499	2,499	16	337	700	2,077	0.78	4,051	1,140
TREATMENT	2/28/1995		982	1414	ALUM STOR TANKS (3) EPOXY	57,428	57,428	16	446	700	1,570	0.76	66,683	21,449
TREATMENT	7/11/1995		984	1418	SLOW MIX VFD F	2,283	2,283	16	446	700	1,570	0.74	2,661	923
TREATMENT	12/31/1995		985	1420	2 PERISTALTIC CARB PUMPS F	600	600	16	446	700	1,570	0.74	699	242
TREATMENT	2/28/1996		986	1422	CL2 BUILDING	1,001,189	1,001,189	15	319	616	1,931	0.38	725,924	1,207,408
TREATMENT	12/31/1995	12/31/2014	1010	1465	UPGRADE PH II INSTRISOFTW	0	0	0	0	0	0.000	0.00	0	0
TREATMENT	6/12/1996		1027	1489	FLUORIDE X-FER PUMP	1,958	1,958	16	361	700	1,939	0.74	2,819	977
TREATMENT	10/17/1996	12/31/2015	1028	1501	CL2 MASS FLOWMETER	0	0	0	0	0	0.000	0.00	0	0
TREATMENT	2/13/1997		1029	1502	LIMITORQ VALVE ACT - 12	22,492	22,492	16	372	700	1,882	0.72	30,552	11,772
TREATMENT	2/23/1997		1030	1503	(2) W PLT SUMP PUMPS	589	589	16	372	700	1,882	0.84	941	186
TREATMENT	2/28/1997		1031	1504	1948 FILTER ROOF REPL	662,232	662,232	15	325	616	1,885	0.56	699,674	555,510
TREATMENT	5/20/1997		1047	1520	OH DOOR W PLT DOCK	3,647	3,647	15	325	616	1,885	0.72	4,991	1,923
TREATMENT	11/20/1997		1048	1521	FILT 19-24 VALVE SEATS 42IN	14,247	14,247	16	372	700	1,882	0.61	16,286	10,543
TREATMENT	2/28/1998		1049	1522	NO. INFLUENT STOP GATE	9,500	9,500	16	384	700	1,823	0.81	14,095	3,222
TREATMENT	2/28/1998	12/31/2015	1050	1523	W FLTR PLT DOCK	52,412	52,412	15	334	616	1,844	0.81	58,664	38,010
TREATMENT	8/18/1998	12/31/2014	1065	1538	(3) CL2 MASS FLOWMETERS	0	0	0	0	0	0.000	0.00	0	0
TREATMENT	2/28/1999	12/31/2014	1065	1538	UPGRADE PH IV INSTRISOFTW	0	0	0	0	0	0.000	0.00	0	0
TREATMENT	10/26/1999	12/31/2015	1076	1549	CC 4" TURBINE METER	0	0	0	0	0	0.000	0.00	0	0
TREATMENT	11/8/1999		1077	1550	WEST FILTER BLDG TUCKPOINTING	162,623	162,623	15	351	616	1,755	0.77	218,609	65,791
TREATMENT	1/11/2000		1078	1551	WEST SHOP DOORS	7,099	7,099	15	357	616	1,725	0.86	8,828	5,421
TREATMENT	2/13/2001	12/31/2014	1080	1562	TURBIDITY MONITOR SYSTEM F	0	0	0	0	0	0.000	0.00	0	0
TREATMENT	9/26/2000		1081	1563	HYDRAULIC BOOSTER PUMP F	3,268	3,268	16	389	700	1,754	0.62	3,577	2,157
TREATMENT	7/25/2000	12/31/2014	1092	1564	UTICOR INTERFACE F	0	0	0	0	0	0.000	0.00	0	0
TREATMENT	6/13/2000		1102	1574	WINDOW REPLACEMENT	101,710	101,710	15	357	616	1,725	0.65	114,233	61,266
TREATMENT	2/12/2002		1106	1578	FILTDORSZILK-WEST ENT	6,900	6,900	15	380	616	1,579	0.50	5,477	5,421
TREATMENT	12/18/2001		1107	1579	REHAB OF 1948 FILTERS	1,278,522	1,278,522	16	414	700	1,891	0.27	575,985	1,585,768
TREATMENT	8/14/2001		1108	1580	LAB HVAC	88,434	88,434	15	372	616	1,656	0.50	73,595	72,843
TREATMENT	8/14/2001		1109	1581	CHAIN DECK DEHUMIDIFIER	60,571	60,571	16	414	700	1,691	0.33	33,928	66,486

[1] From Valuation of Evanston Water Works 12/31/1989 Provided by Abord, Burdick & Howson

[2] Indices:

HMI = Handy-Whitman Index, Cost Trends of Water Utility Construction, North Central Region

Line 8 = Pumping Plant - Structures & Improvements

Line 9 = Pumping Plant - Electric Pumping Equipment

Line 15 = Water Treatment Plant - Structures & Improvements

Line 16 = Water Treatment Plant - Large Treatment Plant Equipment

ENRCCI = Engineering News-Record Construction Cost Index - 20 city

[3] Trend factor calculated using indices at respective years

[4] Iowa Type Survivor Curve estimates useful life based on condition percent factors for industrial property - shown here as % of life used

[5] Depreciation calculated using Iowa Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight line approach

TABLE B-1

REPRODUCTION COST NEW LESS DEPRECIATION AS OF DECEMBER 31, 2015  
CITY OF EVANSTON

Location	Date Acquired	Disp. Date	Old Asset#	Asset #	Description	Asset Cost	RCN Jan. 1, 1990 or year eq [1]	Indices [2]	Index # Jan. 1, 1990 or year eq after	Index # Dec 31, 2015	Trend [3]	RCN Dec. 31, 2015 [5]	lowe Survivor Curve [4]	Depreciation [5]	RCNLD [5]
TREATMENT	7/1/1965		128	9511	RAPD SNO FILTERS #3 ADD	115,373	540,239	16	239	700	2,341	1,264,773	0.68	751,424	513,349
TREATMENT	7/1/1965		118	9512	WASH WATER PUMP #2 20 MGD	33,697	157,788	16	239	700	2,341	359,402	0.68	248,775	119,628
TREATMENT	2/28/2003		1123	9522	FIL. FLUME & WASH RATE	20,611	20,611	16	443	700	1,580	32,568	0.56	18,364	14,203
TREATMENT	11/12/2002		1124	9524	SETTLING BASIN EFFLUENT	139,679	139,679	15	390	616	1,579	220,621	0.21	34,095	186,526
TREATMENT	2/1/1988		756	34729	4 20IN BUTTR VALV EAST PL	7,109	7,598	16	298	700	2,341	17,789	0.72	12,765	5,024
TREATMENT	5/31/2003			36131	LAB CABINETS	70,855	70,855	ENRCCI	6925	10037	1,471	104,201	0.56	58,757	45,443
TREATMENT	6/30/2004			36433	COMPRESSOR SYSTEM	65,313	65,313	16	462	700	1,515	98,959	0.53	52,519	46,440
TREATMENT	8/16/2005			38412	SCRUBBER	1,024,792	1,024,792	16	482	700	1,452	1,488,287	0.58	558,819	529,468
TREATMENT	2/28/2008			39669	VACUUM ALUM TANK SYSTEM	64,783	64,783	16	580	700	1,207	76,167	0.65	50,892	27,295
TREATMENT	1/12/2010			40723	FILTER SHOP EXPANSION	791,433	791,433	15	544	616	1,132	896,161	0.10	53,497	842,664
TREATMENT	2/28/2011			41021	TURBID METER	47,850	47,850	16	622	700	1,125	53,850	0.32	17,351	36,499
TREATMENT	12/31/2012			42032	MULTI-STEP DEHUMIDIFIER	102,753	102,753	16	652	700	1,074	110,318	0.28	31,472	78,846
TREATMENT	12/31/2012			42041	FILTER REHAB ROOF STRUCTURE285	980,962	980,962	16	652	700	1,074	1,053,180	0.15	157,654	895,525
TREATMENT	12/31/2012			42059	FILTER REHAB ROOF STRUCTURE285	742,279	742,279	15	573	616	1,075	787,882	0.07	55,651	742,132
TREATMENT	12/31/2012			42067	FILTER REHAB FILTERS 301	2,156,738	2,156,738	15	573	616	1,075	2,316,597	0.07	162,277	2,156,310
TREATMENT	9/30/2013			42542	SECURITY DOOR REPLACEMENT	49,680	49,680	15	581	616	1,060	52,672	0.10	5,265	47,408
TREATMENT	12/31/2013			42534	ARC FLASH & ELECTRICAL STUDY	18,305	18,305	16	671	700	1,043	19,096	0.19	3,612	15,484
TREATMENT	3/31/2014			10095	WASH WATER PUMPS	40,773	40,773	16	697	700	1,004	40,948	0.04	1,638	39,311
TREATMENT	3/31/2014			10099	SECURITY IMPROVEMENTS BZPP	84,108	84,108	16	697	700	1,004	84,470	0.19	15,978	68,492
TREATMENT	3/31/2014			10101	RATE OF FLOW LOSS OF HD TRSMTR	65,630	65,630	16	697	700	1,004	65,912	0.10	6,588	59,325
TREATMENT	5/28/2014			10103	SCADA SYSTEM	1,643,315	1,643,315	16	697	700	1,004	1,650,386	0.13	214,279	1,436,109
TREATMENT	12/15/2015			10311	CLEARWELL 182 IMPROVEMENTS	315,764	315,764	15	816	616	1,000	318,784	0.00	0	315,784
TREATMENT	7/28/2015			10316	ROOF 15, 17, 27 IMPROVEMENTS	560,936	560,936	15	816	616	1,000	560,936	0.00	0	560,936
TREATMENT	4/4/2015			10319	CHLORINATION EQUIPMENT	404,779	404,779	16	700	700	1,000	404,779	0.04	16,191	388,588
TREATMENT	2/26/2006			38363	ROOF REPL FILTER PUMP HOUSE	68,675	68,675	15	474	616	1,300	89,249	0.46	40,841	48,408
TREATMENT	8/17/2004			42551	480 VOLT SWITCHGEAR REPLACEMENT	148,204	148,204	16	462	700	1,515	224,552	0.50	111,221	113,331
TREATMENT	8/16/2005			38404	EAST END STAIR TOWER	378,341	378,341	15	450	616	1,369	517,896	0.18	97,967	419,929
						23,596,718	46,276,116					93,972,407		49,281,347	43,811,060

[1] From Valuation of Evanston Water Works 12/31/1988 Provided by Alford, Burdick & Howson

[2] Indices:

- HWI = Handy-Whitman Index, Cost Trends of Water Utility Construction, North Central Region
- Line 8 = Pumping Plant - Structures & Improvements
- Line 9 = Pumping Plant - Electric Pumping Equipment
- Line 15 = Water Treatment Plant - Structures & Improvements
- Line 16 = Water Treatment Plant - Large Treatment Plant Equipment
- ENRCCI = Engineering News Record Construction Cost Index - 20 City

[3] Trend factor calculated using Indices at respective years

[4] lowe Type Survivor Curve estimates useful life based on condition percent factors for industrial property, shown here as % of life used

[5] Depreciation calculated using lowe Type Survivor Curve. Depreciation for assets with an estimated life over 50 years were calculated using a straight line approach

TABLE B-1

REPRODUCTION COST NEW LESS DEPRECIATION AS OF DECEMBER 31, 2015  
CITY OF EVANSTON

Location	Date Acquired	Life In Months	Asset #	Description	Asset Cost [1]	Indices [2]	Index # Acquired	Trend Factor [3]	RCN Dec. 31, 2015	Index # Survive	Depreciation [5]	RCN-LD
WATER PLANT	1/1/2010	1080	40678	ADMIN OFFICE EXPANSION	1,564,192	ENRCCI	8938	10037	1,756,522	0.10	104,855	1,651,667
WATER PLANT	8/16/2005	600	38391	GARAGE # 7	377,723	ENRCCI	7680	10037	494,944	0.19	93,623	401,320
WATER PLANT	1/1/1951	1080	709	SERVICE BUILDING	422,159	ENRCCI	569	10037	7,446,766	0.74	4,840,388	2,606,368
WATER PLANT	12/30/2013	240	42471	2012 ROOF REPLACEMENT	135,480	ENRCCI	9552	10037	142,359	0.10	14,229	123,131
WATER PLANT	1/1/1963	960	734	SHORE PROTECTION BKWATER	194,514	ENRCCI	936	10037	2,085,830	0.70	1,228,322	857,508
WATER PLANT	10/29/2013	168	42497	#919 VEHICLE	124,177	ENRCCI	9552	10037	130,462	0.19	24,662	105,800
WATER PLANT	12/1/2012	240	42008	HVAC	105,736	ENRCCI	9324	10037	113,821	0.15	17,038	96,783
WATER PLANT	12/1/2012	240	42009	HVAC	98,576	ENRCCI	9324	10037	107,191	0.15	16,046	91,145
WATER PLANT	7/1/1937	1080	721	SERVICE BLDG SHOP ADDITIO	129,408	ENRCCI	789	10037	1,711,289	0.74	1,001,104	710,185
WATER PLANT	1/1/1982	480	1237	EMERGENCY GENERATOR 500KW T	302,105	ENRCCI	4066	10037	745,752	0.68	504,247	241,505
WATER PLANT	7/1/1965	180	34702	SERVICE BLDG ADDITION	105,374	ENRCCI	1019	10037	9,850	0.75	778,955	258,964
WATER PLANT	7/9/2002	240	9518	2002 ROOF PROJECT	181,090	ENRCCI	6561	10037	276,189	0.56	155,739	120,450
WATER PLANT	6/29/2012	300	40993	SECURITY FENCE	72,000	ENRCCI	8938	10037	80,853	0.19	15,294	66,559
WATER PLANT	7/29/2014	144	42016	BACKHOE # 555	76,957	ENRCCI	9324	10037	82,842	0.38	31,105	51,737
WATER PLANT	1/1/1965	1080	10096	# 915 VEHICLE	34,511	ENRCCI	9835	10037	35,220	0.00	0	35,220
WATER PLANT	7/1/1965	1080	759	GARAGE ADDITION #5 & #6	36,527	ENRCCI	1019	10037	359,786	0.68	181,892	178,094
WATER PLANT	11/28/2006	600	39247	GARAGE 5 & 6 & RETAINING WALL	27,041	ENRCCI	7680	10037	34,442	0.17	5,837	20,605
WATER PLANT	9/30/2013	240	42489	SECURITY DOOR REPLACEMENT	24,840	ENRCCI	9552	10037	26,101	0.10	2,609	23,492
WATER PLANT	3/31/2014	120	10097	FIRE PROTECTION SYSTEM	26,288	ENRCCI	9335	10037	33,463	0.27	9,454	26,029
WATER PLANT	12/18/2001	600	1585	GARAGE FLOOR	22,845	ENRCCI	8462	10037	28,626	0.19	5,075	21,783
WATER PLANT	8/1/2004	240	39425	VOLT SWITCH GEAR REPLACENT	24,701	ENRCCI	7297	10037	33,976	0.50	16,828	17,148
WATER PLANT	12/31/1992	360	1296	891 GARAGE #6 FLOOR	14,632	ENRCCI	1019	10037	146,093	0.68	73,777	72,316
WATER PLANT	9/30/1997	240	1517	1997 ROOF REPLACEMENT	23,054	ENRCCI	5071	10037	45,631	0.63	28,971	16,660
WATER PLANT	8/13/2000	240	1588	GARAGE #4 OH DOOR N	82,073	ENRCCI	5852	10037	140,767	0.70	98,504	42,263
WATER PLANT	7/1/1965	720	756	LANDSCAPING	18,847	ENRCCI	6281	10037	30,117	0.65	19,804	10,514
WATER PLANT	1/1/1982	480	1241	HTG SYM BOILER SELF CONST	9,216	ENRCCI	1019	10037	90,776	0.68	61,379	29,397
WATER PLANT	3/1/1971	720	763	BRICKUP 30 WINDOWS F	6,785	ENRCCI	4066	10037	16,749	0.68	11,325	5,424
WATER PLANT	6/1/1992	300	1297	PWR CABLE-XFORMER RM TO PS	2,695	ENRCCI	1753	10037	15,431	0.62	9,627	5,804
WATER PLANT	3/1/2008	96	40230	1P PHONE SYSTEM	10,367	ENRCCI	5071	10037	20,519	0.73	14,899	5,620
WATER PLANT	12/31/1995	300	1444	GAR #5 DOCK LEVELER	31,324	ENRCCI	8549	10037	36,776	0.65	23,938	12,838
WATER PLANT	2/13/2001	180	1570	EAST PARKING LOT IMPROVEMENT	2,194	ENRCCI	5523	10037	3,987	0.65	2,595	1,392
WATER PLANT	10/3/1996	240	1493	GAR #5 OH DOOR	65,763	ENRCCI	6462	10037	103,146	0.74	75,851	26,295
WATER PLANT	10/3/1996	240	1495	GAR #6 OH DOOR	7,989	ENRCCI	5765	10037	13,509	0.72	10,041	3,869
WATER PLANT	6/1/1992	300	1293	DRINKING FOUNTAIN-OUTSIDE	7,989	ENRCCI	5765	10037	13,509	0.72	10,041	3,869
WATER PLANT	3/1/1981	480	772	3PH AITKEN HEATER F	1,155	ENRCCI	5071	10037	2,286	0.73	1,860	626
					4,371,921		4235	10037	17,444,599	0.69	9,409,970	7,934,630

[1] Values based on City fixed asset records as of December 31, 2015.

[2] Indices:

HMI = Handy-Whitman Index, Cost Trends of Water Utility Construction, North Central Region

Line 8 = Pumping Plant - Structures & Improvements

Line 9 = Pumping Plant - Electric Pumping Equipment

Line 15 = Water Treatment Plant - Structures & Improvements

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ENRCCI = Engineering News-Record Construction Cost Index - 20 City

[3] Trend factor calculated using indices at respective years

[4] Iowa Type Survivor Curve estimates useful life based on condition percent factors for industrial property, shown here as % of life used

[5] Depreciation calculated using Iowa Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight line approach.

TABLE B-1  
REPRODUCTION COST NEW/LESS DEPRECIATION AS OF DECEMBER 31, 2015  
CITY OF EVANSTON

Location	Date Acquired	Life in Months	Asset #	Description	Asset Cost [1] (\$)	Index [2]	Index # Date Acquired	Trend Dec 31, 2015 [3]	RCA Dec 31, 2015 (\$)	Iowa Survivor Curve [4] (%)	Depreciation [5] (\$)	RCA/ND (\$)
TRANSMISSION	7/1/1956	1188	496	PRSTD CON-JT MN 36IN/4329	248,521	ENRCCI	724	10037 13,863	3,445,311	0.74	1,880,697	1,564,614
TRANSMISSION	7/1/1961	960	524	BUTTERFLY VALVES 48IN 2	13,900	ENRCCI	872	10037 11,610	153,843	0.71	86,188	62,655
TRANSMISSION	7/1/1961	1188	528	PRE CON-JT MN 48IN 3885 LF	255,568	ENRCCI	872	10037 11,510	3,406,664	0.71	1,703,332	1,703,332
					558,289				7,910,618		3,669,217	3,330,600

[1] Values based on City fixed asset records as of December 31, 2015.

[2] Indices:

HMI = Handy-Whitman Index, Cost Trends of Water Utility Construction, North Central Region  
Line 8 = Pumping Plant - Structures & Improvements  
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[3] Trend factor calculated using indices at respective years

[4] Iowa Type Survivor Curve estimates useful life based on condition percent factors for industrial property shown here as % of life used

[5] Depreciation calculated using Iowa Type Survivor Curve. Depreciation for assets with an estimated life over 60 years were calculated using a straight line approach

Burns & McDonnell Engineering Company  
Kansas City, Missouri

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City of Evanston  
Water Works Properties Valuation



# Evanston Water Utility Component Sheets

TABLE B-2

REPRODUCTION COST NEW LESS DEPRECIATION DECEMBER 31, 2015  
CITY OF EVANSTON

		RCN Balance	Additions at	Retirements	RCN Balance	Depreciation	RCNLD at
		at 12/31/2015	cost 12/31/2014 to 12/31/2015	at RCN 12/31/2014 to 12/31/2015	at 12/31/2015 Adjusted for Additions & Retirements		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
RCNLD at 12/31/2015 with additions and retirements	Source of Supply	27,367,429	0	785,326	26,582,103	12,503,431	14,078,673
	Pumping Plant	39,293,559	148,373	111,646	39,330,285	22,485,209	16,845,076
	Treatment Plant	92,558,317	1,285,499	771,409	93,072,407	49,261,347	43,811,060
	Water Plant	17,413,276	31,324	0	17,444,599	9,489,970	7,954,630
	Transmission	7,010,818	0	0	7,010,818	3,680,217	3,330,600
	<b>TOTAL</b>	<b>183,643,399</b>	<b>1,465,196</b>	<b>1,668,381</b>	<b>183,440,213</b>	<b>97,420,174</b>	<b>86,020,039</b>

		RCN Balance	Additions at	Retirements	RCN Balance	Depreciation	RCNLD at
		at 12/31/2016	cost 12/31/2015 to 12/31/2016	at RCN 12/31/2015 to 12/31/2016	at 12/31/2016 Adjusted for Additions & Retirements		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
RCNLD at 12/31/2016 with additions and retirements	Source of Supply	27,257,448	1,677,900	0	28,935,348	13,155,589	15,779,759
	Pumping Plant	40,875,695	0	0	40,875,695	23,931,632	16,944,063
	Treatment Plant	95,784,139	636,064	168,800	96,251,404	52,052,500	44,198,904
	Water Plant	17,887,797	0	0	17,887,797	9,967,487	7,920,310
	Transmission	7,188,934	0	0	7,188,934	3,839,986	3,348,949
	<b>TOTAL</b>	<b>188,994,013</b>	<b>2,313,964</b>	<b>168,800</b>	<b>191,139,178</b>	<b>102,947,194</b>	<b>88,191,984</b>

		RCN Balance	Additions at	Retirements	RCN Balance	Depreciation	RCNLD at
		at 12/31/2017	cost 12/31/2016 to 12/31/2017	at RCN 12/31/2016 to 12/31/2017	at 12/31/2017 Adjusted for Additions & Retirements		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
RCNLD at 12/31/2017 with additions and retirements	Source of Supply	29,669,134	200,000	0	29,869,134	13,931,324	15,937,810
	Pumping Plant	42,487,911	525,000	0	43,012,911	25,516,703	17,496,208
	Treatment Plant	99,079,806	1,335,000	0	100,414,806	54,972,941	45,441,866
	Water Plant	18,341,422	0	0	18,341,422	10,455,496	7,885,926
	Transmission	7,371,242	0	0	7,371,242	4,005,316	3,365,927
	<b>TOTAL</b>	<b>196,949,516</b>	<b>2,060,000</b>	<b>0</b>	<b>199,009,516</b>	<b>108,881,760</b>	<b>90,127,736</b>

		RCN Balance	Additions at	Retirements	RCN Balance	Depreciation	RCNLD at
		at 12/31/2018	cost 12/31/2017 to 12/31/2018	at RCN 12/31/2017 to 12/31/2018	at 12/31/2018 Adjusted for Additions & Retirements		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
RCNLD at 12/31/2018 with additions and retirements	Source of Supply	30,627,679	0	0	30,627,679	14,755,573	15,872,107
	Pumping Plant	44,747,558	0	0	44,747,558	27,183,273	17,564,286
	Treatment Plant	103,315,263	20,000,000	7,581,883	115,733,380	52,455,234	63,278,146
	Water Plant	18,807,214	0	0	18,807,214	10,961,959	7,845,255
	Transmission	7,558,440	0	0	7,558,440	4,176,708	3,381,731
	<b>TOTAL</b>	<b>205,056,155</b>	<b>20,000,000</b>	<b>7,581,883</b>	<b>217,474,272</b>	<b>109,532,747</b>	<b>107,941,524</b>

# Evanston Water Utility Component Sheets

TABLE B-3

ORIGINAL COST LESS DEPRECIATION DECEMBER 31, 2015  
CITY OF EVANSTON

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	Original Cost Balance at 2/28/2005 [1]	Original Cost 2/28/2005 to 12/31/2014	Retirements Original Cost 2/28/2005 to 12/31/2014	Original Cost Balance at 12/31/2014	Adjusted Depreciation on OC Balance 2/28/2005 [2]	Depreciation on (A) 2/28/2005 to 12/31/2014	Depreciation on (B) 2/28/2005 to 12/31/2014	Depreciation on (C) 2/28/2005 to 12/31/2014	Depreciation Balance at 12/31/2014		OC/LD at 12/31/2014
OC/LD at 12/31/2014	Source of Supply	4,212,408	1,288,877	75,789	5,423,286	1,525,757	457,933	70,488	44,800	2,908,578	3,413,708
	Pumping Plant	7,543,974	2,542,520	814,306	9,272,188	3,008,792	1,367,834	202,436	390,595	4,138,470	5,083,718
	Treatment Plant	15,107,834	8,408,620	1,037,068	22,479,385	5,003,638	2,577,848	496,223	411,142	7,796,567	14,712,819
	TOTAL	26,864,217	12,237,816	1,927,174	37,174,060	9,538,187	4,503,616	769,148	846,537	13,964,614	23,210,245
	Original Cost Balance at 12/31/2014	Additions 1/1/2015 to 12/31/2015	Retirements 1/1/2015 to 12/31/2015	Original Cost Balance at 12/31/2015	Depreciation Balance at 12/31/2014	Depreciation on OC 1/1/2015 to 12/31/2015	Depreciation on Retirements 1/1/2015	Minus 1/2 yr Depreciation on Additions	Plus 1/2 yr Depreciation on Retirements	Total Depreciation at 12/31/2015	OC/LD at 12/31/2015
OC/LD at 12/31/2015	Source of Supply	5,423,286	0	417,505	5,005,781	2,009,578	55,564	59,377	0	2,317	2,908,082
	Pumping Plant	9,272,188	148,373	55,161	9,365,400	4,188,470	189,514	10,627	1,343	469	4,946,573
	Treatment Plant	22,479,385	1,285,469	256,170	23,506,715	7,766,567	401,965	47,872	10,891	2,207	15,304,840
	Water Plant	4,340,597	31,324	0	4,371,921	1,167,237	117,143	0	1,958	0	1,272,523
	Transmission										
	Asset # 488	248,521	0	0	248,521	74,541	2,510	0	0	0	77,051
	Asset # 524	13,800	0	0	13,800	5,751	173	0	0	0	7,877
	Asset # 528	295,966	0	0	295,966	81,030	2,990	0	0	0	84,019
	TOTAL	42,073,744	1,465,186	730,836	42,808,104	15,283,273	746,859	118,076	14,292	5,023	15,905,796
	Original Cost Balance at 12/31/2015	Additions 1/1/2016 to 12/31/2016	Retirements 1/1/2016 to 12/31/2016	Original Cost Balance at 12/31/2016	Depreciation Balance at 12/31/2015	Depreciation on OC 1/1/2016 to 12/31/2016	Depreciation on Retirements 1/1/2016	Minus 1/2 yr Depreciation on Additions	Plus 1/2 yr Depreciation on Retirements	Total Depreciation at 12/31/2016	OC/LD at 12/31/2016
OC/LD at 12/31/2016	Source of Supply	5,005,781	1,671,900	0	6,683,681	2,009,062	74,189	0	9,312	0	2,072,959
	Pumping Plant	9,365,400	0	0	9,365,400	4,346,313	189,514	0	0	0	4,815,827
	Treatment Plant	23,506,715	636,064	95,000	24,047,779	8,111,875	411,217	18,820	5,438	812	6,489,547
	Water Plant	4,371,921	0	0	4,371,921	1,272,523	117,143	0	0	0	1,389,666
	Transmission										
	Asset # 488	248,521	0	0	248,521	77,051	2,510	0	0	0	79,562
	Asset # 524	13,800	0	0	13,800	5,823	173	0	0	0	6,096
	Asset # 528	295,966	0	0	295,966	84,019	2,990	0	0	0	87,009
	TOTAL	42,808,104	2,313,964	95,000	45,027,068	15,905,785	777,736	18,820	14,750	812	16,850,695
	Original Cost Balance at 12/31/2016	Additions 1/1/2017 to 12/31/2017	Retirements 1/1/2017 to 12/31/2017	Original Cost Balance at 12/31/2017	Depreciation Balance at 12/31/2016	Depreciation on OC 1/1/2017 to 12/31/2017	Depreciation on Retirements 1/1/2017	Minus 1/2 yr Depreciation on Additions	Plus 1/2 yr Depreciation on Retirements	Total Depreciation at 12/31/2017	OC/LD at 12/31/2017
OC/LD at 12/31/2017	Source of Supply	6,683,681	200,000	0	6,883,681	2,072,959	76,409	0	1,110	0	2,148,258
	Pumping Plant	9,365,400	0	0	9,365,400	4,515,827	179,016	0	4,751	0	4,690,062
	Treatment Plant	24,047,779	1,335,000	0	25,382,779	8,489,547	434,046	0	11,414	0	6,922,179
	Water Plant	4,371,921	0	0	4,371,921	1,389,666	117,143	0	0	0	1,506,809
	Transmission										
	Asset # 488	248,521	0	0	248,521	79,562	2,510	0	0	0	82,072
	Asset # 524	13,800	0	0	13,800	6,096	173	0	0	0	6,268
	Asset # 528	295,966	0	0	295,966	87,009	2,990	0	0	0	89,999
	TOTAL	45,027,068	2,080,000	0	47,087,068	16,650,685	812,267	0	17,275	0	17,445,676
	Original Cost Balance at 12/31/2017	Additions 1/1/2018 to 12/31/2018	Retirements 1/1/2018 to 12/31/2018	Original Cost Balance at 12/31/2018	Depreciation Balance at 12/31/2017	Depreciation on OC 1/1/2018 to 12/31/2018	Depreciation on Retirements 1/1/2018	Minus 1/2 yr Depreciation on Additions	Plus 1/2 yr Depreciation on Retirements	Total Depreciation at 12/31/2018	OC/LD at 12/31/2018
OC/LD at 12/31/2018	Source of Supply	6,883,681	0	0	6,883,681	2,148,258	76,409	0	0	0	2,224,567
	Pumping Plant	9,365,400	0	0	9,365,400	4,690,062	179,016	0	0	0	4,868,106
	Treatment Plant	25,382,779	20,000,000	119,506	45,262,273	8,922,179	774,002	119,506	171,000	1,022	9,406,897
	Water Plant	4,371,921	0	0	4,371,921	1,506,809	117,143	0	0	0	1,623,953
	Transmission										
	Asset # 488	248,521	0	0	248,521	82,072	2,510	0	0	0	84,582
	Asset # 524	13,800	0	0	13,800	6,268	173	0	0	0	6,441
	Asset # 528	295,966	0	0	295,966	89,999	2,990	0	0	0	92,988
	TOTAL	47,087,068	20,000,000	119,506	66,967,562	17,445,676	1,162,243	119,506	171,000	1,022	16,308,435

[1] Original Cost from prior Table 3 at 12/31/2005 before adjustments.  
[2] From Evanston Table 4; Depreciation on OC Balance 2/28/2005

# Evanston Water Utility Component Sheets

TABLE B-4

## OCLD AND RCNLD AT DECEMBER 31, 2015 CITY OF EVANSTON

ORIGINAL COST LESS DEPRECIATION AT DECEMBER 31, 2015			
	OC (\$)	Acc. Depr. (\$)	OCLD (\$)
Source of Supply	5,005,781	2,008,082	2,997,700
Pumping Plant	9,365,400	4,346,313	5,019,087
Treatment Plant	23,506,715	8,111,875	15,394,840
Water Plant	4,371,921	1,272,523	3,099,399
Transmission	558,287	166,994	391,293
Total	42,808,104	15,905,786	26,902,319

REPRODUCTION COST NEW LESS DEPRECIATION AT DECEMBER 31, 2015			
	RCN (\$)	Acc. Depr. (\$)	RCNLD (\$)
Source of Supply	26,582,103	12,503,431	14,078,673
Pumping Plant	39,330,285	22,485,209	16,845,076
Treatment Plant	93,072,407	49,261,347	43,811,060
Water Plant	17,444,599	9,489,970	7,954,630
Transmission	7,010,818	3,680,217	3,330,600
Total	183,440,213	97,420,174	86,020,039

FAIR VALUE RATE BASE DECEMBER 31, 2015			
	(\$)	(%)	(\$)
OCLD Rate Base	26,902,319	50	13,451,160
RCNLD Rate Base	86,020,039	50	43,010,019
Fair Value Rate Base			56,461,179

# IDNR Allocations

INDR Allocations as of November 2011

Lake Michigan Water Allocations (millions of gallons per day)																	
SYSTEM NAME	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Arlington Heights	9,715	9,745	9,775	9,805	9,835	9,865	9,895	9,925	9,955	9,985	10,015	10,045	10,074	10,102	10,131	10,160	10,188
Buffalo Grove	4,857	4,875	4,893	4,912	4,930	4,948	4,966	4,985	5,003	5,021	5,040	5,058	5,076	5,094	5,112	5,130	5,148
Palatine	7,933	7,964	7,995	8,027	8,058	8,090	8,121	8,152	8,184	8,215	8,246	8,278	8,309	8,341	8,372	8,403	8,435
Wheeling	5,607	5,720	5,785	5,850	5,915	5,980	6,045	6,091	6,137	6,182	6,228	6,274	6,292	6,311	6,329	6,348	6,366
Des Plaines	7,982	7,996	8,009	8,023	8,037	8,050	8,064	8,077	8,091	8,105	8,118	8,132	8,143	8,154	8,166	8,177	8,189
Total	36,093	36,300	36,458	36,617	36,775	36,933	37,091	37,250	37,370	37,509	37,648	37,787	37,895	38,002	38,110	38,218	38,326
Morton Grove	3,497	3,521	3,546	3,570	3,595	3,619	3,644	3,668	3,693	3,717	3,742	3,766	3,789	3,812	3,835	3,857	3,880
Niles	4,977	4,988	4,999	5,010	5,022	5,033	5,044	5,055	5,066	5,078	5,089	5,100	5,109	5,118	5,128	5,137	5,146
Total	8,473	8,509	8,545	8,581	8,616	8,652	8,688	8,723	8,759	8,795	8,831	8,866	8,898	8,930	8,962	8,994	9,026
Evanston	9,411	9,428	9,445	9,461	9,478	9,495	9,512	9,528	9,545	9,562	9,578	9,595	9,612	9,628	9,644	9,661	9,677
Skokie	10,505	10,560	10,616	10,671	10,727	10,782	10,838	10,893	10,948	10,999	11,054	11,109	11,164	11,219	11,274	11,329	11,384
PLANT TOTAL	64,483	64,797	65,064	65,330	65,596	65,862	66,129	66,320	66,512	66,703	66,895	67,086	67,242	67,399	67,555	67,711	67,867
% MG-N OF PLANT	13.14%	13.13%	13.13%	13.13%	13.14%	13.14%	13.14%	13.15%	13.17%	13.19%	13.20%	13.22%	13.23%	13.25%	13.27%	13.28%	13.30%

Lake Michigan Water Allocations (millions of gallons per day)																	
SYSTEM NAME	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Morton Grove	3,497	3,521	3,546	3,570	3,595	3,619	3,644	3,668	3,693	3,717	3,742	3,766	3,789	3,812	3,835	3,857	3,880
Niles	4,977	4,988	4,999	5,010	5,022	5,033	5,044	5,055	5,066	5,078	5,089	5,100	5,109	5,118	5,128	5,137	5,146
Total	8,473	8,509	8,545	8,581	8,616	8,652	8,688	8,723	8,759	8,795	8,831	8,866	8,898	8,930	8,962	8,994	9,026
Evanston	9,411	9,428	9,445	9,461	9,478	9,495	9,512	9,528	9,545	9,562	9,578	9,595	9,612	9,628	9,644	9,661	9,677
Skokie	10,505	10,560	10,616	10,671	10,727	10,782	10,838	10,893	10,948	10,999	11,054	11,109	11,164	11,219	11,274	11,329	11,384
48/36" MAIN TOTAL	28,389	28,497	28,605	28,713	28,821	28,929	29,037	29,090	29,142	29,195	29,247	29,299	29,348	29,396	29,445	29,493	29,541
% MG-N OF PIPE	29.85%	29.86%	29.87%	29.88%	29.90%	29.91%	29.92%	29.99%	30.06%	30.12%	30.19%	30.26%	30.32%	30.38%	30.44%	30.50%	30.55%

Late Michigan Water Allocations (millions of gallons per day)																	
SYSTEM NAME	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Jorton Grove	3,497	3,521	3,546	3,570	3,595	3,619	3,644	3,668	3,693	3,717	3,742	3,766	3,789	3,812	3,835	3,857	3,880
Niles	4,977	4,988	4,999	5,010	5,022	5,033	5,044	5,055	5,066	5,078	5,089	5,100	5,109	5,118	5,128	5,137	5,146
Total	8,473	8,509	8,545	8,581	8,616	8,652	8,688	8,723	8,759	8,795	8,831	8,866	8,898	8,930	8,962	8,994	9,026
Skokie	10,505	10,560	10,616	10,671	10,727	10,782	10,838	10,893	10,948	10,999	11,054	11,109	11,164	11,219	11,274	11,329	11,384
36" MAIN TOTAL	18,978	19,069	19,161	19,252	19,343	19,434	19,526	19,561	19,597	19,633	19,669	19,704	19,736	19,768	19,800	19,832	19,864
% MG-N OF PIPE	44.65%	44.62%	44.60%	44.57%	44.54%	44.52%	44.49%	44.60%	44.70%	44.80%	44.90%	45.00%	45.09%	45.17%	45.26%	45.35%	45.44%

# 2015 Audited Information

## CITY OF EVANSTON, ILLINOIS

Notes to the Financial Statements  
For the Fiscal Year ended December 31, 2015

### NOTE 5. CAPITAL ASSETS - Continued

#### A. Capital Asset Activity - Continued

	Beginning	Additions	Deletions	Ending
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 4,644,510	\$ -	\$ -	\$ 4,644,510
Construction in progress	2,463,073	4,741,809	1,667,281	5,537,601
Artwork	359,752	-	-	359,752
<b>Total Capital Assets, not being Depreciated</b>	<b>7,467,335</b>	<b>4,741,809</b>	<b>1,667,281</b>	<b>10,541,863</b>
<b>Capital assets, being depreciated/amortized:</b>				
Land improvements	3,925,463	985,681	-	4,911,144
Buildings and improvements	77,282,216	-	-	77,282,216
Leasehold improvements	304,052	-	-	304,052
Plant	42,176,651	1,433,872	924,661	42,685,862
Transmission and distribution system	49,257,816	4,215,269	-	53,473,085
Sewer system and underground lines	249,439,877	1,295,207	-	250,735,084
Intangible assets	509,834	750,424	-	1,260,258
Equipment	3,086,113	87,284	340,755	2,832,642
Parking meters	1,698,308	160,720	-	1,859,028
<b>Total Capital Assets being Depreciated/Amortized</b>	<b>427,680,330</b>	<b>8,928,457</b>	<b>1,265,416</b>	<b>435,343,371</b>
<b>Less accumulated depreciation/amortization for:</b>				
Land improvements	1,631,955	141,290	-	1,773,245
Buildings and improvements	22,197,612	2,462,535	-	24,660,147
Leasehold improvements	302,753	-	20,222	282,531
Plant	15,311,894	1,411,291	865,721	15,857,464
Transmission and distribution system	6,934,574	636,142	-	7,570,716
Sewer system and underground lines	49,589,233	3,404,364	-	52,993,597
Intangible assets	315,774	106,182	-	421,956
Equipment	2,373,535	100,425	314,428	2,159,532
Parking meters	686,984	124,354	-	811,338
<b>Total Accumulated Depreciation/Amortization</b>	<b>99,344,314</b>	<b>8,386,583</b>	<b>1,200,371</b>	<b>106,530,526</b>
<b>Total Capital Assets being Depreciated/Amortized, Net</b>	<b>328,336,016</b>	<b>541,874</b>	<b>65,045</b>	<b>328,812,845</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 335,803,351</b>	<b>\$ 5,283,683</b>	<b>\$ 1,732,326</b>	<b>\$ 339,354,708</b>

City of Evanston  
**SCHEDULE OF FIXED ASSETS AND DEPRECIATION**  
**YEAR ENDED DECEMBER 31, 2014**

	ASSETS				
	OC Balance FY End 12/31/14	Additions 1/1/2015 to 12/31/2015	Retirements 1/1/2015 to 12/31/2015	Transfers 1/1/2015 to 12/31/2015	OC Balance FY End 12/31/15
Source of supply Pumping plant	5,423,287		417,505		5,005,782
Water treatment plant	9,085,101	355,454.00	55,181		9,385,394
	21,788,283	1,978,608.00	258,170		23,508,721
<b>Total Plant</b>	<b>41,245,137</b>	<b>2,334,062.00</b>	<b>730,836</b>	<b>0</b>	<b>37,877,897</b>
					<b>1,272,424</b>

Evanston Audited Information

Asset Name	Asset No	Cost	FY2015 Depreciation
PRSTD Con JT MN 38' 14329	488	248,521.00	4,341.00
Butterfly Valves 48"	524	13,800.00	308.90
PRSTD Con JT MN 48' 3885 LF	528	295,968.00	4,762.85
<b>Total</b>		<b>558,287.00</b>	<b>9,412.75</b>

## Annual Pumpage

Pumping

**2015 Monthly Pumpage (MG)**

Month	Lake Water Pumpage	Wash Water Recycled	Net Raw Water Pumpage	Finished Water Pumpage	Pumpage To		
					Evanston	Skokie	N.W.C.
Jan-15	1,105.958	15.243	1,121.201	1,091.884	219.493	224.994	647.197
Feb-15	993.608	14.742	1,008.350	979.494	197.429	203.955	578.110
Mar-15	1,051.862	14.352	1,066.214	1,037.606	214.803	221.083	601.740
Apr-15	1,038.910	13.795	1,052.705	1,094.833	254.304	208.254	632.275
May-15	1,170.487	21.359	1,191.846	1,131.353	216.660	233.280	681.413
Jun-15	1,134.827	15.487	1,150.294	1,122.625	220.010	235.514	667.101
Jul-15	1,241.264	19.130	1,260.394	1,231.148	244.142	255.542	731.464
Aug-15	1,345.617	27.227	1,372.844	1,326.781	244.260	286.287	796.234
Sep-15	1,201.943	21.155	1,223.098	1,187.680	235.267	244.463	707.930
Oct-15	1,122.857	15.050	1,137.907	1,113.129	224.286	239.720	649.123
Nov-15	1,026.820	16.823	1,043.643	1,013.638	275.273	204.686	533.700
Dec-15	1,037.670	5.942	1,043.612	1,093.855	244.083	229.169	620.613
<b>Total</b>	<b>13,471.823</b>	<b>200.286</b>	<b>13,672.108</b>	<b>13,423.806</b>	<b>2,790.010</b>	<b>2,788.896</b>	<b>7,845.900</b>

**2015 Average Day Pumpage (MGD)**

Month	Lake Water Pumpage*	Wash Water Recycled	Net Raw Water Pumpage	Finished Water Pumpage	Pumpage To		
					Evanston	Skokie	N.W.C.
Jan-15	35.876	0.492	36.168	35.216	7.080	7.258	20.877
Feb-15	35.486	0.527	36.013	34.982	7.051	7.284	20.647
Mar-15	34.400	0.463	34.394	33.471	6.929	7.131	19.411
Apr-15	33.939	0.460	35.090	36.494	6.477	6.942	21.076
May-15	37.758	0.445	33.968	36.495	6.989	7.525	21.981
Jun-15	37.828	0.516	38.343	37.421	7.334	7.850	22.237
Jul-15	40.041	0.617	40.658	39.714	7.876	8.243	23.586
Aug-15	43.407	0.878	44.285	42.789	7.879	9.235	25.685
Sep-15	40.065	0.705	40.770	39.589	7.842	8.149	23.598
Oct-15	36.221	0.485	36.707	35.907	7.235	7.733	20.939
Nov-15	34.227	0.561	34.788	33.788	9.176	6.822	17.790
Dec-15	33.473	0.192	33.665	35.286	7.874	7.392	20.020
<b>Average</b>	<b>36.909</b>	<b>0.549</b>	<b>37.458</b>	<b>36.778</b>	<b>7.644</b>	<b>7.635</b>	<b>21.498</b>

Note: "Pumpage to Evanston" includes process and domestic water uses at the water treatment plant.

# 2015 Audited Information

## CITY OF EVANSTON, ILLINOIS

### Water Fund

### Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Budget	Actual
<b>Operating Revenues</b>		
Charges for services	\$ 15,253,000	\$ 15,005,360
Miscellaneous	506,100	716,246
<b>Total Operating Revenues</b>	<b>15,759,100</b>	<b>15,721,606</b>
<b>Operating Expenses Excluding Depreciation</b>		
Administration	1,528,130	1,473,338
Operations		
Pumping	2,426,701	1,752,932
Filtration	2,612,781	2,015,362
Distribution	1,724,142	2,395,818
Meter maintenance	194,336	202,921
Other	19,349,100	420,562
<b>Total Operating Expenses Excluding Depreciation</b>	<b>27,835,190</b>	<b>8,260,933</b>
<b>Operating Income (Loss) Before Depreciation</b>	<b>(12,076,090)</b>	<b>7,460,673</b>
<b>Depreciation</b>	<b>-</b>	<b>2,096,633</b>
<b>Operating Income (Loss)</b>	<b>(12,076,090)</b>	<b>5,364,040</b>
<b>Non-Operating Revenues (Expenses)</b>		
Investment income	10,000	5,981
Interest Expense	(434,254)	(390,461)
Net book value of fixed assets disposed	-	302,700
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(424,254)</b>	<b>(81,780)</b>
<b>Income (Loss) Before Transfers</b>	<b>(12,500,344)</b>	<b>5,282,260</b>
<b>Transfers</b>		
Transfers (out)	(3,194,053)	(3,194,053)
<b>Total Transfers in (Out)</b>	<b>(3,194,053)</b>	<b>(3,194,053)</b>
<b>Net Income</b>	<b>\$ (15,694,397)</b>	<b>2,088,207</b>
<b>Net Position</b>		
Beginning of Year		66,279,631
Change in accounting principle		(101,305)
Prior period adjustment		(55,806)
<b>Beginning of Year, Restated</b>		<b>66,122,520</b>
<b>End of Year</b>	<b>\$</b>	<b>68,210,727</b>

(See independent auditor's report.)



**EVANSTON DISTRIBUTION SYSTEM  
CALCULATION OF PERCENT OF SYSTEM ALLOCATED TO MG-N  
CALCULATION OF DEPRECIATION CHARGES**

**Total Evanston Distribution System**

pipe size dia (in)	Length (ft)	(in-ft)
3	608	1,824
4	6,621	26,484
6	387,032	2,322,192
8	152,754	1,222,032
10	67,658	676,580
12	93,238	1,118,856
14	1,950	27,300
16	33,076	529,216
18	4,389	79,002
20	2,960	59,200
24	45,430	1,090,320
30	8,912	267,360
36	17,405	626,580
42	186	7,812
48	3,568	171,264
	<b>825,787</b>	<b>8,226,022</b>

asset #	Transmission	Depreciation
528	3,568' 48" dia 1961	\$ 4,763
524	2 48" BF valves 1961	\$ 309
498	7,198' 36" dia 1956	\$ 4,341
		<b>\$ 9,413</b>

**Portion of Evanston Distribution System Used by MG-N**

pipe size dia (in)	Length (ft)	(in-ft)
36	7,198	259,128
48	3,568	171,264
	<b>10,766</b>	<b>430,392</b>

Evan/Skok/MG-N	Depreciaton
3,568' 48" dia 1961	4,763
2 48" BF valves 1961	309
4,763' (66%) 36" dia	2,865
<b>Total</b>	<b>7,937</b>

% In-ft used by MG-N of Evanston Total  
5.23%

Skokie / MG-N Only	Depreciation
2,435' (34%) 36" dia	1,476

**Confirm Total 9,413**

## **Group Exhibit C**

### **Depreciation Rates**

Page C-1

## DEPRECIATION RATES

The Depreciation Charge pursuant to this Agreement shall be based on the depreciation rates for the various classes of plant set forth below:

Class of Plant	Annual Rate of Depreciation
Source of Supply	1.11%
Pumping Plant	1.81%
Treatment Plant	1.71%
Water Plant	2.68%
Transmission	1.02%

**Exhibit “D”**

City of Evanston Ordinance \_\_\_\_-O-17 (Approval of Water Supply Agreement  
Between the City of Evanston, the Village of Morton Grove and the Village of Niles)

(attached)

**Exhibit “E”**

**Village of Morton Grove Resolution Number 17-03 (Approval of Water Supply Agreement  
Between the City of Evanston, the Village of Morton Grove and the Village of Niles)**

(attached)

## RESOLUTION 17-03

### **A RESOLUTION AUTHORIZING THE APPROVAL AND EXECUTION OF A WATER SUPPLY AGREEMENT BETWEEN THE CITY OF EVANSTON AND THE VILLAGE OF MORTON GROVE AND THE VILLAGE OF NILES**

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule government under the provision of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

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 analyses 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) on January 23, 2017, as approved by Morton Grove Resolution 17-02 on January 23, 2017, and as approved by Niles by Resolution on January 24, 2017; and

WHEREAS, as set forth in the Cost Sharing Agreement, Morton Grove and Niles (collectively, the Villages) determined 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 different options for water supply agreements for the Villages with one or more Illinois municipality(ies), the Villages have determined it is in their best interests to jointly enter into a Water Supply Agreement with the City of Evanston ("Evanston"), in order that the Villages and their respective water customers receive an adequate supply of water from Evanston; and

WHEREAS, Morton Grove desires to approve and enter into an Agreement entitled "*Water Supply Agreement between the City of Evanston and the Village of Morton Grove and the Village of Niles*" (the Agreement) for the purposes set forth in the Agreement in substantial conformity with Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Section 4 of the Agreement (Commencement of Obligation to Deliver and Receive Water) sets forth the obligations of the Villages and Evanston with regard to the design and construction work needed prior to commencement of the delivery of water from Evanston to the Villages under the Agreement; and

WHEREAS, Section 5 of the Agreement (Rate) provides for the cost of the water sold by Evanston and paid for by the Villages, and the means by which the rate for water sold under the Agreement is calculated; and

WHEREAS, Section 7 of the Agreement (Water Supply; Allocation; Distribution) provides for Evanston to sell and deliver water to the Villages, and for the Villages to purchase and receive water from Evanston; and

WHEREAS, the Villages are still evaluating options for jointly acquiring and operating a common source of supply of water and a related waterworks system, in order to connect their respective waterworks systems to the waterworks system of Evanston, and the Villages may 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.*) in furtherance thereof, to be known as the “MG-N Water Commission”; and

WHEREAS, in the event the Villages create the MG-N Water Commission, Section 15 of the Agreement (MG-N Option to Create a JAWA or a Water Commission; Assignment) provides for the automatic assignment of the Villages’ rights and obligations under the Agreement to the MG-N Water Commission, and the Villages shall have no further rights or obligations under the Agreement; and

WHEREAS, the President and Board of Trustees of the Village of Morton Grove have the authority to enter into an Agreement pursuant to Morton Grove’ 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.*) and the Illinois Municipal Code (65 ILCS 5/1, *et seq.*), and find entering into the Agreement is in the best interest of Morton Grove.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, ILLINOIS, AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing whereas clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The President and Board of Trustees of the Village of Morton Grove authorize the approval of the economic terms and the attached form of an agreement entitled *Water Supply Agreement Between The City Of Evanston And The Village Of Morton Grove And The Village Of Niles* (the “Agreement”) for the purposes set forth in the Agreement, attached hereto as Exhibit “A”. The President

and Board of Trustees of the Village of Morton Grove authorize and direct the Village Administrator, or his designee, to execute the final version of the Agreement, 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 Agreement.

SECTION 3: The President and Board of Trustees of the Village of Morton Grove authorize and direct the Village Administrator, or his designee, to execute said Agreement, and to execute and deliver all other instruments and documents and pay all costs necessary to fulfill Morton Grove’s obligations under the Agreement.

SECTION 4: This resolution shall be in full force and effect upon its passage and approval.

PASSED THIS 23<sup>rd</sup> day of January 2017.

Trustee Grear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED by me this 23<sup>rd</sup> day of January 2017

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

APPROVED and FILED in my office this  
24<sup>th</sup> day of January 2017.

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



**Exhibit “F”**

Village of Niles Resolution Number \_\_ (Approval of Water Supply Agreement  
Between the City of Evanston, the Village of Morton Grove and the Village of Niles)

(attached)

Legislative Summary

Resolution 17-04

**AUTHORIZING THE APPROVAL AND EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES FOR PREPARATION OF WATER SUPPLY CORRIDOR AND WATER ROUTE STUDY (VILLAGE OF MORTON GROVE, VILLAGE OF NILES, AND STANLEY CONSULTANTS, INC.)**

**Introduced:** January 23, 2017

**Synopsis:** This Resolution will authorize an Agreement among the Villages of Niles and Morton Grove and Stanley Consultants, Inc., to provide professional consulting and engineering services in order to prepare a water supply corridor and a water route study to evaluate, identify, and recommend options for the design, finance, and construction of water transmission lines, pumping and storage, and other water delivery and receiving infrastructure for the delivery of water from Evanston to Morton Grove and Niles.

**Background:** On October 12, 2016, an RFP was issued to engineering firms to provide professional consulting and engineering services for a water supply corridor and water route study to evaluate, identify, and recommend water transmission route options as well as evaluate, identify, and recommend options for the design, finance, and construction of water transmission lines, pumping and storage, and other related water delivery and receiving infrastructure extending from the City of Evanston's point of delivery to existing water receiving points owned and operated by the Village of Morton Grove and the Village of Niles. The Village's received four responses to the RFP. An interview team comprised of the Village Administrator of Morton Grove, the Village Manager of Niles. The Public Work Directors, Engineers, and Corporation Counsels from both Morton Grove and Niles conducted extensive interviews of the applicants and have recommended that the Villages engage the services of Stanley Consultants, Inc. for these services in large part due to the firms knowledge of water systems in Morton Grove, Niles, Skokie and Evanston, and their experience with projects of this size and scope.

**Departs Affected:** Legal, Administration, and Finance Departments

**Fiscal Impact:** Stanley Consultants, Inc.'s fees will be based on the actual amount of work performed. The Village's share for services performed will not exceed \$359,000. The total contract costs will be paid equally by Morton Grove and Niles.

**Source of Funds:** Enterprise Fund, to be reimbursed from bond proceeds

**Work Impact:** The Village Administrator, Public Works Director and Village Engineer will oversee the implementation of the Agreement.

**Admin Recommend:** Approval as presented.

**First Reading:** Not required.

**Special Consider or Requirements:** The Exhibits are too voluminous to attach to the agenda documents, but will be incorporated into the final contract documents and are available for review and inspection in the Village Administrator's office.

Respectfully submitted:   
Ralph E. Czerwinski, Village Administrator

Reviewed by:   
Hanna Sullivan, Finance Director

Prepared by:   
Teresa Hoffman Liston, Corporation Counsel

Reviewed by:   
Andy DeMonte, Public Works Director

## RESOLUTION 17-04

**A RESOLUTION AUTHORIZING THE APPROVAL AND EXECUTION  
OF A PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES FOR  
PREPARATION OF WATER SUPPLY CORRIDOR AND WATER ROUTE STUDY  
(VILLAGE OF MORTON GROVE, VILLAGE OF NILES  
AND STANLEY CONSULTANTS, INC.)**

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule government under the provision of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, the President and Board of Trustees of the Village of Morton Grove, a home rule Illinois municipal corporation (Morton Grove), desire to approve and enter into an agreement entitled “*Professional Services Agreement for Engineering Services for Preparation of Water Supply Corridor and Water Route Study (Village of Morton Grove, Village of Niles, and Stanley Consultants, Inc.)*” in substantially the same form as the Agreement is attached hereto as Exhibit “A” and made a part hereof; (the Agreement); and

WHEREAS, on October 12, 2016, the Village of Morton Grove and the Village of Niles, an Illinois home rule municipal corporation (Niles), issued a Request for Proposal, entitled “RFP Morton Grove and Niles – Detailed Water Supply Corridor and Route Study, Issue Date: October 12, 2016” (the MGN RFP), to engineering firms to provide professional consulting and engineering services to prepare a water supply corridor and water route study to evaluate, identify, and recommend water transmission route options as well as evaluate, identify, and recommend options for the design, finance, and construction of water transmission lines, pumping and storage, and other related water delivery and receiving infrastructure that will extend from the City of Evanston’s (Evanston) point of delivery near the intersection of Emerson Street and McCormick Boulevard, which is Evanston's western border, to existing water receiving points (e.g., reservoirs and pumping facilities) owned and operated respectively by Morton Grove and Niles, and located in Niles near the intersection of Harlem Avenue and Touhy Avenue, and located in Morton Grove near the intersection of Caldwell Avenue and Oakton Street, for Morton Grove and Niles (the Services); and

WHEREAS, the construction of the water transmission lines, pumping and storage, and other related water delivery and receiving infrastructure between Evanston’s point of delivery to the existing water receiving points of Niles and Morton Grove is referred to as the Project, as further defined and set forth in the Agreement; and

WHEREAS, Stanley Consultants, Inc. (Consultant) submitted a response to the MGN RFP, dated November 2, 2016, to perform the Services relative to the Project, and Morton Grove, Niles, and the Consultant further negotiated and refined the Services to be performed as set forth in the Agreement; and

WHEREAS, Morton Grove agrees to retain the Consultant to perform the Services with Niles, in accordance with the terms of the Agreement; and

WHEREAS, the Consultant has agreed to perform the Services in accordance with the terms of the Agreement; and

WHEREAS, the President and Board of Trustees of the Village of Morton Grove have the authority to enter into the Agreement 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.*) and the Illinois Municipal Code (65 ILCS 5/1, *et seq.*), and find that entering into the Agreement is in the best interests of the Village of Morton Grove.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, ILLINOIS, AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing whereas clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The President and Board of Trustees of the Village of Morton Grove authorize the approval and execution of an Agreement entitled "*Professional Services Agreement for Engineering Services for Preparation of Water Supply Corridor and Water Route Study (Village of Morton Grove, Village of Niles, and Stanley Consultants, Inc.)*" for the purposes set forth in the Agreement, attached hereto as Exhibit "A".

SECTION 3: The President and Board of Trustees of the Village of Morton Grove authorize and direct the Village Administrator, or his designee, to execute the final version of the Agreement, 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

SECTION 4: This resolution shall be in full force and effect upon its passage and approval.

PASSED THIS 23<sup>rd</sup> day of January 2017

Trustee Gear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED by me this 23<sup>rd</sup> day of January 2017.

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

APPROVED and FILED in my office this  
24<sup>th</sup> day of January 2017.

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

**EXHIBIT "A"**

**PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES  
FOR PREPARATION OF WATER SUPPLY CORRIDOR AND WATER ROUTE STUDY  
(VILLAGE OF MORTON GROVE, VILLAGE OF NILES,  
AND STANLEY CONSULTANTS, INC.)**

(attached)

**PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES  
FOR PREPARATION OF WATER SUPPLY CORRIDOR AND WATER ROUTE STUDY**

**(Village of Morton Grove, Village of Niles and Stanley Consultants, Inc.)**

This **PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES FOR PREPARATION OF WATER SUPPLY CORRIDOR AND WATER ROUTE STUDY** ("Agreement") is made by and between **Stanley Consultants, Inc.**, an Iowa corporation, authorized to conduct business in the State of Illinois, whose mailing address is 8501 West Higgins Road, Suite 730, Chicago, Illinois 60631 (the "Consultant") and the **Village of Morton Grove**, an Illinois home rule municipal corporation, whose mailing address is 6101 Capulina Avenue, Morton Grove, Illinois 60053 ("Morton Grove") and the **Village of Niles**, an Illinois home rule municipal corporation, whose mailing address is 1000 Civic Center Drive, Niles, Illinois 60714 ("Niles"). The Consultant and the Villages are at times referred to herein individually as a "Party" and collectively as the "Parties." Morton Grove and Niles are at times referred to collectively as "MGN" or the "Villages".

**RECITALS**

**WHEREAS**, on October 12, 2016, MGN issued a Request for Proposals, entitled "RFP Morton Grove and Niles – Detailed Water Supply Corridor and Route Study, Issue Date: October 12, 2016" (the "MGN RFP"), to engineering firms to provide professional consulting and engineering services to prepare a **water supply corridor and water route study** to evaluate, identify and recommend water transmission route options as well as evaluate, identify and recommend options for the design, finance and construction of water transmission lines, pumping and storage, and other related water delivery and receiving infrastructure that will extend from the City of Evanston's point of delivery near the intersection of Emerson Street and McCormick Boulevard, which is Evanston's western border, to existing water receiving points (e.g., reservoirs and pumping facilities) owned and operated respectively by Morton Grove and Niles, and located in Niles near the intersection of Harlem Avenue and Touhy Avenue and in Morton Grove near the intersection of Caldwell Avenue and Oakton Street for MGN (the "Services", as further defined below). The construction of the water transmission lines, pumping and storage, and other related water delivery and receiving infrastructure between the City of Evanston's point of delivery to the existing water receiving points of Niles and Morton Grove is referred to as the "Project." A copy of the MGN RFP is incorporated by reference as **Exhibit "A"** into this Agreement and made a part hereof; and

**WHEREAS**, the Consultant submitted a response to the RFP, dated, November 2, 2016, to perform the Services (the "Proposal"). A copy of the Proposal is incorporated by reference into this Agreement as **Group Exhibit "B"** and made a part hereof. MGN and the Consultant further negotiated and refined the Scope of Services that are to be performed by the Consultant under this Agreement. A copy of the agreed-upon final version of the Scope of Services dated January 4, 2017 is attached hereto as **Group Exhibit "B"** and made a part hereof, the terms of which shall govern over any other Exhibit to or provision of this Agreement. In addition, a copy of the Projected Labor and Budget dated December 12, 2016 is attached hereto as **Group Exhibit "B"** and made a part hereof; and

**WHEREAS**, MGN agrees to retain the Consultant to perform the Services in accordance with the terms of this Agreement; and

**WHEREAS**, the Consultant agrees to perform the Services in accordance with the terms of this Agreement.

**NOW, THEREFORE**, in consideration of the recitals, mutual covenants and representations set forth in this Agreement, the Parties mutually agree that the Consultant shall perform the Services described below, and MGN shall pay the Consultant for said performance, under the following terms and conditions:

## **SECTION 1. INCORPORATION AND DEFINITIONS.**

Each of the above Whereas paragraphs are incorporated into this Section 1 as materials provisions of this Agreement.

Whenever used in this Agreement, the following terms shall have the meanings indicated and the singular shall be read to include the plural and vice versa, and pronouns stated herein shall be construed to include all genders.

- A. The term "Agreement" includes the Recitals set forth above, which are incorporated into Section 1 of this Agreement, and shall mean this Agreement and its attached Exhibits as entered into by the Consultant and MGN setting forth the terms and conditions governing the Services.
- B. The term "Morton Grove Affiliates" means Morton Grove's former, current and future appointed and elected officials, officers, president and trustees, employees, engineers, attorneys, consultants, authorized representatives and volunteers.
- C. The term "Niles Affiliates" means Niles' former, current and future appointed and elected officials, officers, president and trustees, employees, engineers, attorneys, consultants, authorized representatives and volunteers.
- D. The term "Services" means the professional consulting and engineering services that are listed in the Scope of Services dated January 4, 2017 and attached hereto as **Group Exhibit "B"**. The term "Work" has the same meaning as the term "Services" as used in the MGN RFP and this Agreement.
- E. The term "Scope of Work" is defined in the Scope of Services dated January 4, 2017 and attached hereto as **Group Exhibit "B"**. The term "Scope of Work" has the same meaning as the term "Scope of Services" as used in the MGN RFP and this Agreement.
- F. The terms "sub-consultant" and "sub-contractor" mean the person, independent contractor, partnership, corporation, joint venture or other business entity (including its employees, agents or others performing or supplying on its behalf, or at its direction) having a contract with the Consultant for the performance of any portion of the Services.
- G. The term "MGN Working Group" means the respective staff and consultants employed by Morton Grove and Niles who are working on the Project.

## **SECTION 2. TERM OF AGREEMENT.**

This Agreement shall be effective on the date that the last signatory executes this Agreement and shall terminate upon the completion and acceptance of the Services by MGN and final payment to the Consultant by MGN, which shall occur **on or before June 3, 2017** (the "Completion Date"), as provided below (the "Term"), unless this Agreement is terminated earlier by any Party, or by mutual agreement, or the Parties agree, in writing, to extend the Term.

## **SECTION 3. SCOPE OF SERVICES**

- A. **Services; Non-Exclusive Relationship.** The Consultant agrees to perform the Services in order to complete the Scope of Work in accordance with the terms and conditions of this Agreement. The Consultant shall provide the Services on behalf of and at the direction of MGN, the MGN Representative (defined below) and/or the MGN Working Group and understands that this Agreement is not an exclusive relationship in that Morton Grove and Niles, in their collective discretion, are free to enter into other agreements with other vendors or consultants to perform work on the Project, upon ten (10 ) calendar days written notice to the Consultant's Primary Representative. Morton Grove and Niles MGN, in their collective discretion, are also free to assign all or any portion of the Services to other vendors or consultants, upon ten (10) calendar days



written notice to the Consultant's Primary Representative, and the Compensation of the Consultant shall be reduced on an equitable basis. Unless otherwise indicated by MGN, the primary contact point for MGN and the MGN Working Group ("MGN Representative") to provide direction to the Consultant under this Agreement shall be:

Bill Balling

WRBLLC

Cellular Phone: (847) 863-7101

Office Phone: (847) 398-8399

Email: bill@wrblc.com

NOTE: Copies of all correspondence and documents shall be sent via email to the Morton Grove Administrator and the Morton Grove Village Manager at their Village business addresses at the same time the originals are sent by the Consultant.

- B. **Mutual Cooperation.** MGN agrees to cooperate with the Consultant in the performance of the Services, including meeting with the Consultant on an as-needed basis and providing the Consultant with such "Confidential Information" (as defined in Section 10 below) and non-confidential information that MGN may have that may be relevant and helpful to the Consultant's performance of the Services. These documents shall be furnished to the Consultant without cost or expense to the Consultant. The Consultant agrees to cooperate with MGN in the performance and completion of the Services, including meeting with MGN, the MGN Representative and/or the MGN Working Group on an as-needed basis, and with any other consultants engaged by MGN. Within this Agreement, anytime that MGN is referenced in terms of providing direction to, making requests of, or communicating with the Consultant, that MGN reference shall also be read to include Morton Grove, Niles, the MGN Representative and/or the MGN Working Group.

C. **Consultant's Personnel and Representative.**

- (1) **Primary Representative.** The Consultant shall designate Larry Thomas who shall be available during normal business hours (Monday through Friday from 8:00 a.m. CST to 5:00 p.m. CST) and who shall serve as the Consultant's primary authorized representative throughout the Term of this Agreement. This "Primary Representative" shall be readily available to respond to communications from MGN and shall be primarily responsible for performing the Services as requested by MGN. The Primary Representative shall receive requests from MGN to perform the Services and shall have full authority to execute the directions of MGN, without delay, and promptly supply any necessary labor, equipment or incidentals to do so. The Consultant also shall provide MGN with the name and phone number of the Consultant's Primary Representative who, in the case of an off-hours emergency, shall be readily accessible and available for a quick response. The Consultant shall immediately notify MGN in writing of any change in the identity and telephone number of the Consultant's Primary Representative. The Primary Representative shall not be changed by the Consultant without MGN's prior written approval. If the Primary Representative fails to perform the Services to the satisfaction of MGN, then the Consultant shall immediately replace the Primary Representative with a new person with comparable experience and knowledge.
- (2) **Availability of Personnel.** The Consultant shall provide adequate personnel necessary to complete the Services. The Consultant shall notify MGN as soon as practicable prior to terminating the employment of, reassigning or receiving notice of the resignation of any personnel assigned to regularly perform the Services. The Consultant shall have no claim for damages and shall not bill MGN for additional time and materials charges as the result of any portion of the Services which must be duplicated or redone due to such termination or for any delay or extension of time in performing the Services as a result of any such termination, reassignment or resignation.
- (3) **Approval and Use of Sub-consultants / Sub-contractors.** The Consultant shall perform the Services with its own personnel and under the management, supervision and control of its own

organization, unless otherwise approved in advance and in writing by MGN. All sub-consultants and sub-contractors used by the Consultant shall be acceptable to and approved in advance by MGN. MGN's approval of any sub-consultant or sub-contractor shall not relieve the Consultant of full responsibility and liability for the provision, performance and completion of the Services as required by this Agreement, including the agreed upon compensation for the Services. All Services performed under any sub-contract shall be subject to each of the terms of this Agreement, in the same manner as if performed by employees of the Consultant. Every subcontract that the Consultant enters into in regard to the performance of the Services under this Agreement shall include an express provision binding the sub-consultant or sub-contractor to all of the terms of this Agreement, and specifically noting the obligations in this Section 3.C(3). Upon execution of this Agreement, MGN accepts the sub-consultants listed in Exhibit "C."

- (4) **Removal of Personnel and Sub-consultants / Sub-contractors.** If any of Consultant's personnel or any sub-consultant or sub-contractor fails to perform the Services in a manner satisfactory to MGN and consistent with commonly accepted industry standards and professional practices, the Consultant shall immediately, upon notice from MGN, remove and replace such personnel or sub-consultant or sub-contractor. The Consultant shall have no claim for damages, for compensation in excess of the amount contained in this Agreement, or for a delay or extension of time of performance as a result of any such removal or replacement.
- (5) **Financial Ability to Perform.** The Consultant states that it is financially solvent, has the financial resources necessary, has sufficient experience and competence, and has the necessary capital, facilities, organization, and staff necessary to provide, perform, and complete the Services set forth in this Agreement.

- D. **Notice to Proceed with Services.** The Consultant shall commence the Services immediately upon receipt of a written notice to proceed from MGN ("**Commencement Date**"). The Consultant shall diligently and continuously work on the Services until the completion of the Services or upon the termination of this Agreement, but in no event later than the Completion Date. The Parties may mutually agree in writing to modify the Completion Date. Delays caused by MGN shall extend the Completion Date in equal proportion to the delay caused by MGN. In the event that the Consultant performs any Services and incurs any expenses in furtherance of the Project prior to receiving a written notice to proceed from MGN in regard to the Project or any phase of the Project, the Services are performed and the expenses are incurred at the Consultant's sole risk, and such Services and expenses are not authorized for payment or reimbursement, unless and until a written notice to proceed is issued by MGN. Those actual, documented Services performed prior to the issuance of the MGN notice to proceed shall be paid by MGN as part of the "not to exceed" Fee provided by this Agreement.
- E. **Suspension of Services.** MGN, at any time and for any reason, may suspend work on any or all Services by issuing a written work suspension notice to the Consultant. The Consultant must stop the performance of all Services within the scope of the suspension notice until MGN directs the Consultant in writing to resume performance of the Services.
- F. **Phasing of Scope of Work.** The Consultant shall not commence performance of the Services on the initial phase or any subsequent phase of the Scope of Work, unless it first receives a written Notice to Proceed from the MGN Representative. In the event that MGN decides not to proceed with the Project or any subsequent phase of the Project for any reason, this Agreement shall terminate upon written notice to the Consultant issued by MGN advising of the termination of the Agreement. In such case, MGN shall be liable to the Consultant only for payment of all actual, completed, documented Services through the date of termination. The Consultant agrees to waive any and all claims and causes of action for any other damages or losses of any kind that could be brought relative to the termination of the Agreement by MGN based on MGN's decision not to proceed with the Project or any phase of the

Scope of Work. For the purposes of this Agreement, each of the numbered paragraphs in Exhibit "D", Compensation and Fee Schedule, shall be considered "a phase".

- G. **Reporting; Delivery Date of Final Report.** The Consultant shall regularly, and no less than bi-weekly, provide both written and verbal reports to the MGN Representative to the MGN Working Group and to any other MGN staff or officials upon request regarding the progress of the Services. The MGN Representative can require more frequent reporting by the Consultant at any time. Upon final completion of the Services, the Consultant shall deliver a final written report addressed to the Village Administrator of Morton Grove and the Village Manager of Niles and with copies delivered to the MGN Representative and the other members of the MGN Working Group that confirms the completion of the Services (the "Final Report"). The Final Report shall be completed and delivered to MGN on or before the Completion Date.
- H. **Electronic Reporting.** In addition to providing MGN with paper copies of all reports, data or results and the Final Report, the Consultant (and the Primary Representative) shall, to the extent possible, submit documentation regarding the Services to MGN electronically. The Parties agree to work together to develop a procedure for electronic communication of data that is effective and efficient for all Parties.
- I. **Final Acceptance.** The Services, or, if the Services are to be performed in separate phases, each phase of the Services, shall be considered complete on the date of final written acceptance by the MGN Representative of the Services or each phase of the Services, as the case may be, which acceptance shall not be unreasonably withheld or delayed.
- J. **Sub-consultant/Sub-contractor List.** The Consultant shall maintain an updated list of sub-consultant/sub-contractors who are working on the Project and shall provide the list and any updates to the list to the MGN Representative. A copy of the initial sub-consultant/sub-contractor list shall be attached hereto as Exhibit "C" and made a part hereof; and any updated version(s) of the list shall be incorporated herein by reference.

#### **SECTION 4. EXHIBITS.**

The following exhibits are either incorporated by reference or attached to and made part of this Agreement as noted. In the event of a conflict between an Exhibit and the text of this Agreement, the text of the Agreement shall control.

<b><u>Exhibit "A"</u></b> -	Request for Proposals entitled "RFP Morton Grove and Niles – Detailed Water Supply Corridor and Route Study, Issue Date: October 12, 2016" (the "MGN RFP").
<b><u>Group Exhibit "B"</u></b> -	Consultant's Proposal for Services in regard to MGN RFP (incorporated by reference); Final version of the Scope of Services dated January 4, 2017 (attached and made part of this Agreement); Projected Labor and Budget dated December 12, 2016 (attached and made part of this Agreement).
<b><u>Exhibit "C"</u></b> -	<u>Sub-consultant/Sub-contractor List</u>
<b><u>Exhibit "D"</u></b> -	Compensation and Fee Schedule for Services in Regard to RFP Morton Grove and Niles – Detailed Water Supply Corridor and Route Study ("Fee Schedule")
<b><u>Exhibit "E"</u></b> -	Insurance Requirements for the Consultants, Sub-consultants and Sub-contractors
<b><u>Exhibit "F"</u></b> -	Services Change Order (Form)

## **SECTION 5. INDEPENDENT CONTRACTOR STATUS.**

- A. **Relationship of the Parties.** The Consultant's role, and the role of its employees and its sub-consultants and sub-contractors, with respect to the performance of the Services is solely that of an independent contractor. The following terms and conditions are operative and applicable to the Parties under this Agreement:
- (1) **Non-Exclusive Contractual Arrangement.** The Consultant and its employees and its sub-consultants and sub-contractors are retained under a non-exclusive contractual arrangement to perform the Services only for the limited purposes set forth in this Agreement. No provision of this Agreement or subsequent conduct between the Parties shall be construed to create a relationship between the Parties as that of "employer-employee," "principal and agent," "partners" or "participants in a joint venture."
  - (2) **No Authority to Bind.** The Consultant and its employees and its sub-consultants and sub-contractors shall have no authority or right to enter into any contract or incur any debt or liability of any nature in the name of, or on behalf of, MGN or Morton Grove or Niles.
  - (3) **Not Employees of MGN.** The Consultant and its employees and its sub-consultants and sub-contractors serve only as independent contractors of MGN, Morton Grove and Niles, and not as employees of MGN, Morton Grove or Niles, for all purposes, including, but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, including any similar Illinois wage laws, the Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Illinois Unemployment Insurance Act (820 ILCS 405/1 *et seq.*) and the Illinois Worker's Compensation and Occupational Diseases Act (820 ILCS 305/1, *et seq.*). Therefore, neither federal nor state nor local income tax nor payroll tax of any kind, nor any other withholding, shall be withheld or paid by MGN, Morton Grove or Niles on behalf of the Consultant, and its employees and its sub-consultants and sub-contractors. Nothing in this Agreement shall be construed as MGN, Morton Grove or Niles requiring or acquiring or incurring any liability for Worker's Compensation, FICA, withholding tax, unemployment compensation or any other payment which would be required to be paid by MGN, Morton Grove or Niles if MGN and the Consultant, and its employees and its sub-consultants and sub-contractors, were engaged in an "employer-employee" relationship.
  - (4) **Payment of Taxes.** The Consultant and its employees and its sub-consultants and sub-contractors are responsible, pursuant to applicable law, for payment of any income and employment taxes or any other taxes of any kind arising from their receipt of compensation under this Agreement.
  - (5) **Ineligible for MGN Employment Benefits.** The Consultant and its employees and its sub-consultants and sub-contractors agree that they shall not be entitled to receive or to participate in any employee benefits or health, life or professional liability insurance programs or other employee benefit programs or pension plans or retirement plans available to part-time or full-time Village employees, and agree that they are ineligible to file a claim for unemployment compensation benefits or for Worker's Compensation benefits against Morton Grove or Niles. The Consultant and its employees and its sub-consultants and sub-contractors agree not to file any such claims in the event this Agreement is terminated or if they are injured or become ill as a result of performing any Services under this Agreement.
  - (6) **Autonomy.** The Consultant and its employees and its sub-consultants and sub-contractors are free to use their time, energy and skill when they are not performing the Services for MGN on other endeavors, as they deem appropriate and advisable.

- (7) **Discretion Over Performance and Delivery of Services.** MGN shall have no control over the timing, means and manner in which the Services are to be performed by the Consultant, and its employees or its sub-consultants and sub-contractors. The Consultant is responsible for directing and controlling the performance and completion of the Services in a timely manner that meets MGN's requested schedule and the Completion Date.
- (8) **Certification, Training and Licensing.** The Consultant represents that its employees, sub-consultants and sub-contractors (a) are fully qualified, licensed, registered, trained and capable within their respective disciplines in accordance with applicable laws, regulations and industry standards, and (b) currently hold, and shall maintain throughout the Term of this Agreement, all required licenses, registrations, permits and certificates applicable to the their performance of the Services. To the extent that equipment is being utilized in the providing of the Services, the Consultant and its employees and its sub-consultants and sub-contractors shall use their own equipment and tools of the trade, and be qualified and authorized to operate same.
- (9) **Applicable Regulations.** The Consultant, and its employees and its sub-consultants and sub-contractors, shall be familiar with and comply with the applicable Federal, State, County and local codes, ordinances and regulations, and shall use, apply and enforce the same when performing the Services.
- (10) **Injury to Reputation.** The Consultant, and its employees and its sub-consultants and sub-contractors, shall not act in a manner that might injure the reputation of Morton Grove and the Morton Grove Affiliates or Niles and the Niles Affiliates.

## **SECTION 6. COMPENSATION AND METHOD OF PAYMENT.**

### **A. Fee Amount.**

- (1) **Fee Schedule.** MGN agrees to pay for any requested, fully completed and accepted Services rendered by the Consultant in accordance with and not to exceed the Compensation and Fee Schedule (**Exhibit "D"**) attached to this Agreement. The "not to exceed" Fee for the Basic Services (**Exhibit "D"** Items 1 and 2) shall be Seven Hundred and Seventeen Thousand Seven Hundred and Thirty and No/100 Dollars (\$717,730.00) (the "Not-To-Exceed Fee").
- (2) **Out-of-Pocket Costs.** The Consultant, at its sole cost, shall pay all other expenses related to the performance of this Agreement including, and not limited to, travel, printing, reproduction, mailing, insurance premiums, licensing fees, fuel, overhead, administrative costs, delivery charges, and all costs associated with the acquisition and maintenance of vehicles and equipment. The Consultant may request reimbursement of these out-of-pocket costs, including the Reimbursable Costs shown in attached **Exhibit "D"**, upon proper documentation, but such reimbursement shall be paid as part of the payment of and within the dollar amount of the Not-To-Exceed Fee.
- (3) **Scope of Fees.** The amounts set forth in the Fee Schedule include all applicable Federal, State and Village taxes of every kind and nature applicable to the Services, as well as all taxes, contributions and premiums for unemployment insurance, old age or retirement benefits, pensions, annuities or similar benefits, and all costs, royalties and fees arising from the use on, or the incorporation into, the Services, of patented or copyrighted equipment, materials, supplies, tools, appliances, devices, processes or inventions. All claims or rights to claim additional compensation by reason of the payment by the Consultant of any such tax, contribution, premium, cost, royalty or fee are the sole responsibility of the Consultant, and any claim or demand from any person that MGN or Morton Grove or Niles pay such taxes, contributions, premiums, costs, royalties or fees are waived and released and shall be indemnified by the Consultant.

B. **Invoices and Payment.**

- (1) **Frequency and Content.** The Consultant shall submit invoices to MGN, allocated to Morton Grove and Niles on an equal share basis (50% share / 50% share), on a monthly basis. Each invoice shall be addressed and delivered to both the Village Administrator of Morton Grove and the Village Manager of Niles at their respective business addresses set forth in **Section 13(D)** below and a copy delivered to the MGN Representative. MGN may specify the specific day of the month on or before which invoices must be filed. Each invoice must be accompanied by receipts, vouchers, and other documents as necessary to reasonably establish the Consultant's right to payment of the Compensation stated in the invoice. In addition, each invoice must include employee classifications and employee designations (initials), rates per hour, and hours worked by each employee classification. If the Services are to be performed in separate phases, then for each phase, the invoice must also include: the total amount billed in the current phase(s), the total amount billed to date including each completed phase and any current phase(s), and the estimated percent completion of the Services for each phase and on an overall basis.
- (2) **Invoice Payment.** MGN agrees to make payments to Consultant within thirty (30) calendar days of receipt of the invoice, unless there is a dispute in regard to the invoice, and to pay interest on unpaid balances under the provisions of the Local Government Prompt Payment Act (50 ILCS 505/1, *et seq.*), unless the Parties mutually agree to waive the interest payment. If there is a dispute in regard to any invoice, MGN shall make payment for that portion of the invoice not in dispute and the Parties shall cooperate to resolve the dispute as soon as possible in accordance with Subsection 6(G) below, but any such dispute shall not cause the Consultant to stop performing Services or delay in its completion of the Scope of Work. MGN's failure to object to any monthly invoices and payment by MGN for Services related to any monthly invoice or other periodic progress payment shall not be an acceptance by MGN of such Services that are incomplete and in progress.
- (3) **Final Payment.** The Services will be considered complete on the date of final written acceptance by MGN after completion of all of the Services for the entire Scope of Work or acceptance of the relevant phase of the Services for a portion of the Scope of Work. After delivery of the Final Report and completion of the Services, the Consultant shall request in writing a confirmation of acceptance of the Services by MGN and shall also deliver an invoice for final acceptance and payment. MGN will make final payment to the Consultant within thirty (30) calendar days after final written acceptance of the Services to be delivered under this Agreement, after deducting therefrom charges, if any, as provided in this Agreement ("Final Payment"). The acceptance by the Consultant of Final Payment will operate as a full and complete release of MGN by the Consultant of and from any and all lawsuits, claims, or demands for further payment of any kind for the Services encompassed by the Final Payment.
- (4) **Deductions.** Notwithstanding any other provision of this Agreement, MGN may deduct and withhold from any payment or from Final Payment such amounts as may reasonably appear necessary to compensate MGN for any loss due to (1) Services that are defective, nonconforming, or incomplete, (2) liens or claims of lien, (3) claims against the Consultant or MGN made by any of the Consultant's sub-consultants or suppliers or by other persons about the Services, (4) delay by the Consultant in the completion of the Services, (5) the cost to MGN, including without limitation reasonable attorneys' fees, of correcting any of the matters stated in this Section or exercising any one or more of MGN's remedies set forth in Section 6(G)(Informal Dispute Resolution) or Section 13 (O)(Cumulative Rights and Remedies) below. MGN will notify the Consultant in writing given in accordance with Section 13(D) below of MGN's determination to deduct and withhold funds, which notice will state with specificity the amount of, and reason or reasons for, such deduction and withholding.

- (5) **Use of Deducted Funds.** MGN will be entitled to retain any and all amounts withheld pursuant to Section 6(B)(4)(Deductions) above until the Consultant either has performed the obligations in question or has furnished security for that performance satisfactory to MGN. MGN will be entitled to apply any money withheld or any other money due to the Consultant to reimburse itself for any and all costs, expenses, losses, damages, liabilities, suits, judgments, awards, and reasonable attorneys' fees (collectively "Costs") incurred, suffered, or sustained by MGN and chargeable to the Consultant under this Agreement.

C. **Records; Audit.** The Consultant shall maintain records showing the Services performed and a record of additional services performed, and shall permit MGN to inspect and audit all data and records of the Consultant for Services performed pursuant to this Agreement. The records shall include all billable charges and costs, descriptions and time entries by personnel (in minutes/hours increments) incurred in performing the Services in accordance with generally accepted accounting practices, consistently applied, and in such manner as to permit verification of all entries. Upon written request by MGN, the records shall promptly be made available to MGN or its auditors during normal business hours during the Term of this Agreement, and for three (3) consecutive calendar years after the termination of this Agreement. Copies of such records shall be promptly furnished by the Consultant to MGN at a reasonable per page photocopy expense or in an electronic or digital format at no charge.

D. **Claim In Addition To Agreement Amount.**

- (1) The Consultant shall provide written notice to MGN of any claim for additional Compensation as a result of action taken by MGN, within fifteen (15) calendar days after the occurrence of such action.
- (2) The Consultant acknowledges and agrees that written notice pursuant to this Section shall not be deemed or interpreted as entitling the Consultant to any additional compensation; and that any changes in the Agreement Amount shall be valid only upon written amendment signed by all Parties pursuant to **Section 6(F) (Service Change Orders)** below.
- (3) Regardless of the decision of MGN relative to a claim submitted by the Consultant, the Consultant shall proceed with all of the Services required to complete the Services under this Agreement, as determined by MGN, without interruption.

E. **Additional Services.** The Consultant acknowledges and agrees that in no event shall MGN or Morton Grove or Niles be liable for any additional Compensation or fees or costs incurred by the Consultant or any sub-consultant or sub-contractor in connection with any Services provided by the Consultant or any sub-consultant or sub-contractor that are outside of, or exceed, the scope of this Agreement ("Additional Services"), regardless of whether such Additional Services are requested or directed by MGN or Morton Grove or Niles, except upon the prior written consent of both Morton Grove and Niles provided under **Section 6(F) (Service Change Orders)** below.

F. **Services Change Orders; Delays.**

- (1) **Services Change Orders.** MGN, from time to time, may issue a written order modifying or otherwise changing the scope of the Services included in a Services Change Order (a "**Services Change Order**"). Any one or more Services Change Order which increases the original contract not to exceed price amount (individual or in the aggregate) by more than Twenty Thousand and No/100 Dollars (\$20,000.00) must be approved by Resolution of the corporate authorities of MGN. For Services Change Orders below the Twenty Thousand and No/100 Dollars (\$20,000.00) threshold, the MGN Representative is authorized to execute the Services Change Order after review and approval by the Village Administrator of Morton Grove and the Village Manager of Niles. The Services Change Order will be generally in the

form attached to and by this reference incorporated into this Agreement as **Exhibit "F"**. MGN or the Consultant may request a Services Change Order based on new or different information or changes in conditions or circumstances that were not known or not anticipated at the time of approval of this Agreement that results in change in the scope of any Services to be performed under this Agreement. A Services Change Order may include additions to and deletions from the Services and will include any equitable increases or decreases to the Compensation as mutually agreed to by the Parties.

- (2) **Revision Notices.** Within five (5) calendar days of receipt of a MGN-approved Services Change Order, the Consultant must notify MGN in writing if the Consultant desires a revision to the Services Change Order (a "Revision Notice"). The Revision Notice must clearly state the Consultant's requested revisions and the reasons for the revisions. If MGN agrees to any revision, then MGN will issue a revised Services Change Order in a form acceptable to the Parties. If the Consultant does not submit a Revision Notice within the 5-day period, then the Consultant will be deemed to have accepted the Services Change Order and the Services Change Order will be final.
- (3) **Disagreements over Services Change Order Terms.** If MGN and the Consultant cannot agree on the proposed revisions to the Compensation or Project Schedule terms of a Services Change Order, then the Parties will apply the dispute resolution provisions of this Agreement in order to reach agreement. In that event, the Consultant must proceed diligently with the revised Services as directed by MGN pending resolution of the disagreement. The Consultant will be compensated equitably for the work the Consultant undertakes during the informal dispute resolution process.
- (4) **No Change in Absence of Services Change Order.** No claim for an adjustment in Compensation or Project Schedule will be made or allowed unless it is embodied in a Services Change Order signed by the MGN Representative and the Consultant. If the Consultant believes it is entitled to an adjustment in the Compensation or Project Schedule terms that has not been included, or fully included, in a Services Change Order, then the Consultant may submit to MGN a written request for the issuance of, or revision of, a Services Change Order including the desired adjustment. The Consultant's request must be submitted before the Consultant proceeds with any Services for which an adjustment is desired.
- (5) **Delays.** If a delay in providing Services results from one or more causes that could not be avoided or controlled by the Consultant, then the Consultant may be entitled to an extension of the Project Schedule for a period of time equal to that delay, or an adjustment in Compensation for extra costs related to the delay, or both. The Consultant must notify MGN in writing within ten (10) calendar days after the start of the delay and again in writing within ten (10) calendar days after the delay has ended (the "Delay Period"). The first notice must state the cause or causes of the delay and the impact of the delay on providing Services. The second notice must state the cause or causes of the delay, the length of the day, the reasons why the delay disrupted performance of the Services and the Consultant's request, if any, for a change in Compensation or Project Schedule. If the Consultant fails to submit notices as provided in this Section, then the Consultant will be deemed to have waived any right to an adjustment in Compensation for the Services.

G. **Informal Dispute Resolution.**

- (1) **Dispute Resolution.** If a dispute arises between any of the Parties concerning this Agreement, the Parties will first attempt to resolve the dispute by negotiation. Each Party will designate persons to negotiate on their behalf. The Party contending that a dispute exists must specifically identify in writing all issues and present it to the other Parties. The Parties will



meet and negotiate in an attempt to resolve the matter. If the dispute is resolved as a result of such negotiation, there must be a written determination of such resolution, and ratified by the corporate authorities of each Party, which will be binding upon the Parties. If necessary, the Parties will execute an addendum to this Agreement. Each Party will bear its own costs, including attorneys' fees, incurred in all proceedings in this Section. If the Parties do not resolve the dispute through negotiation, any Party to this Agreement may pursue other remedies under Section 13(O) (Cumulative Rights and Remedies) below to enforce the provisions of this Agreement.

- (2) **Performance of Services.** During the dispute resolution process, the Consultant must proceed diligently with the performance of Services.

## **SECTION 7. PERFORMANCE AND STANDARD OF SERVICES.**

A. **Consultant Responsibilities.** The Consultant, at its sole cost, agrees as follows:

- (1) **Standard of Performance.** The Consultant shall perform the Services in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in the Chicago Metropolitan Region (the "Standard of Performance"). All Services must be free from defects and flaws, must conform to the requirements of this Agreement, and must be performed in accordance with the Standard of Performance. The Consultant is fully and solely responsible for the quality, technical accuracy, completeness, and coordination of all Services. Such performance shall be to the satisfaction of MGN. All Services shall be performed in a reasonably prompt manner.
- (2) **Corrections of Defects, Errors and Omissions.** If any errors, omissions or acts, intentional or negligent, are made by the Consultant and/or its employees, its sub-consultants and sub-contractors in providing the Services, the correction of which requires additional Services, the Consultant shall be required to perform such additional Services as may be necessary to remedy same without undue delay and without any charge or cost to MGN. The Consultant must provide, for no additional Compensation and at no separate expense to MGN, all work required to correct any defects or deficiencies in the performance of Services, regardless of whether the defect or deficiency relates to the work of the Consultant or of the Consultant's sub-consultants or suppliers.
- (3) **Risk of Loss.** The Consultant bears the risk of loss in providing all Services. The Consultant is responsible for any and all damages to property or persons arising from any Consultant negligent or intentional error, omission, or act and for any losses or costs to repair or remedy any work undertaken by MGN based on the Services as a result of any such error, omission, or act. Notwithstanding any other provision of this Agreement, the Consultant's obligations under this Section 7 exist without regard to, and may not be construed to be waived by, the availability or unavailability of any insurance, either of MGN or the Consultant, to indemnify, hold harmless, or reimburse the Consultant for damages, losses, or costs.
- (4) **Opinions of Probable Cost.** The Parties recognize that neither the Consultant nor MGN has control over the costs of labor, materials, equipment, nor services furnished by others nor over competitive bidding, market nor negotiating conditions, nor construction contractors' methods of determining their prices. Accordingly, any opinions of probable costs provided under this Agreement are considered to be estimates only, made on the basis of the Consultant's experience and qualifications, and those opinions represent the Consultant's best judgment as an experienced and qualified professional, familiar with the industry. The

Consultant does not guaranty that proposals, bids, or actual costs will not vary from the opinions prepared by the Consultant.

- (5) **Communications with Regulators.** The Consultant must comply with all statutes, ordinances, codes, and regulations applicable to the Services. Except to the extent expressly set forth in this Agreement, the Consultant may not communicate directly with applicable governmental regulatory agencies with regard to Services without prior express authorization from MGN. The Consultant must either direct inquiries from governmental regulatory agencies to MGN for appropriate response or respond on behalf of MGN as directed by the MGN Representative. To the extent that the Consultant communicates directly with applicable governmental regulatory agencies with regard to Services, it shall promptly (same day or within twenty (24) hours) inform MGN of such communications, provide copies to MGN of any such written communications (e.g., letters, emails, etc.) and shall copy the MGN Representative or the MGN Working Group on its own communications to the governmental regulatory agencies, as requested by MGN. In those cases that MGN will be either responding directly to the regulatory agencies, or providing information to the Consultant to allow the Consultant to respond, the response must be made within five (5) calendar days so as not to delay the Project.
- (6) **Consultant Payments; Waivers of Liens.** The Consultant must pay promptly for all services, labor, materials, and equipment used or employed by the Consultant in the performance of any Services and must not cause any materials, equipment, structures, buildings, premises, and property of MGN to be impressed with any mechanic's lien or other liens. The Consultant, if requested, must provide MGN with reasonable evidence that all services, labor, materials, and equipment have been paid in full and with waivers of lien as appropriate.
- (7) **Permits and Licenses.** The Consultant, and its sub-consultants and sub-contractors, will assist MGN in obtaining all permits and licenses, registrations, qualifications, and other governmental authorizations required by all applicable laws and regulations that relate to the performance of the Services. MGN retains responsibility to pay for all permits and licenses, registrations, qualifications, and other governmental authorizations. If the Consultant pays for any permits and licenses, registrations, qualifications, and other governmental authorizations on behalf of MGN, the cost will be paid as an Additional Service (Subsection 6(E) in addition to the Agreement not to exceed fee.
- (8) **Safety; Hazardous Materials.**
  - i. **Protection of Health, Environment.** The Consultant's personnel must be experienced and properly trained to perform the Services and must take adequate precautions to protect human health and the environment in the performance of Services.
  - ii. **Notice of Hazardous Conditions.** If the Consultant observes a potentially hazardous condition relating to the Services, the Consultant must immediately bring that condition to the attention of MGN.
  - iii. **Hazardous Materials.** The Consultant acknowledges that there may be hazardous substances, wastes, or materials as defined by applicable Law ("Hazardous Materials") within the proposed Project area or otherwise associated with Services, and the Consultant under those circumstances must take appropriate precautions to protect its employees, sub-consultants, and suppliers, and shall advise in writng MGN of the presence or suspected presence and location of such Hazardous Materials.

B. **MGN Responsibilities.** Morton Grove and Niles, at their collective cost, agree as follows:

- (1) To designate in writing a person with authority to act on behalf of MGN with respect to the Services. The MGN Representative will have the authority to act on behalf of MGN, except on matters that require approval of the respective corporate authorities of Morton Grove and Niles or the MGN Working Group.
- (2) To provide to the Consultant all criteria and information about the requirements for the Services, including, as relevant, MGN's objectives and constraints, schedule, space, capacity and performance requirements, and budgetary limitations.
- (3) To provide to the Consultant existing studies, reports, and other available data relevant to the Services.
- (4) To arrange for access to, and make provisions for the Consultant (and its employees, sub-consultants and sub-contractors) to enter on, public and private property as reasonably required for the Services.
- (5) To provide, as relevant, existing surveys and GIS data describing physical characteristics, legal limitations, and utility locations in Niles, Morton Grove, and Skokie for the Services and the services of other consultants when the services of other consultants are requested by the Consultant and are necessary for the performance of the Services. Note: Under the Scope of Services, the Consultant is responsible for preparing or obtaining new surveys of the land and utility locations under consideration for the Project.
- (6) To provide structural, mechanical, chemical, air and water tests, tests for hazardous materials, and other laboratory and environmental tests, inspections, and reports required by law to be provided by MGN in connection with the Services, except the extent such tests, inspections, or reports are part of the Services.
- (7) To review reports, documents, data, and all other information presented by the Consultant as appropriate in a timely manner and to provide responses within five (5) calendar days of receipt.
- (8) To provide approvals from all governmental authorities having jurisdiction over the Services when requested by the Consultant, except the extent such approvals are part of the Services.
- (9) To attend meetings related to the Services.
- (10) To give prompt written notice to the Consultant whenever MGN observes or otherwise becomes aware of any development that affects the scope or timing of Services, except that the inability or failure of MGN to give any such a notice will not relieve the Consultant of any of its responsibilities under this Agreement.

**SECTION 8. INDEMNIFICATION**

A. **Indemnification by Consultant.**

- (1) **Morton Grove.** To the fullest extent permitted by law, the Consultant shall defend, hold harmless and indemnify the Village of Morton Grove and Morton Grove Affiliates from and against any and all injury, death, loss, property damage, judgments, liens, claims, suits, liabilities, actions, causes of action, demands, expenses, costs or other liabilities of any character (including reasonable attorney fees and litigation costs) to the extent arising in whole or in part, relating to

or resulting from the performance under this Agreement by the Consultant, and/or its employees and its sub-consultants and sub-contractors, or others performing or furnishing any Services directly or indirectly on the Consultant's behalf, including but not limited to: (a) failure to comply with, or violation of, any federal, state or local law, statute, regulation, rule, ordinance, order or governmental directive; (b) negligent acts, omissions or willful misconduct; and (c) failure to comply with the terms, conditions, representations or warranties contained in this Agreement. In connection with any such liabilities, the Village of Morton Grove and the Morton Grove Affiliates shall have the right to defense counsel of their choice and the Consultant shall be solely liable for all reasonable costs, fees and expenses of such defense. Any insurance policies required to be maintained pursuant to this Agreement shall in no way limit the extent of the Consultant's responsibility to indemnify as herein provided. The terms of this indemnity shall survive the suspension, expiration or termination of this Agreement.

- (2) **Niles.** To the fullest extent permitted by law, the Consultant shall defend, hold harmless and indemnify the Village of Niles and Niles Affiliates from and against any and all injury, death, loss, property damage, judgments, liens, claims, suits, liabilities, actions, causes of action, demands, expenses, costs or other liabilities of any character (including reasonable attorney fees and litigation costs) to the extent arising in whole or in part, relating to or resulting from the performance under this Agreement by the Consultant, and/or its employees and its sub-consultants and subcontractors-, or others performing or furnishing any Services directly or indirectly on the Consultant's behalf, including but not limited to: (a) failure to comply with, or violation of, any federal, state or local law, statute, regulation, rule, ordinance, order or governmental directive; (b) intentional or negligent errors, acts, omissions or willful misconduct; and (c) failure to comply with the terms, conditions, representations or warranties contained in this Agreement. In connection with any such liabilities, the Village of Niles and the Niles Affiliates shall have the right to defense counsel of their choice and the Consultant shall be solely liable for all reasonable costs, fees and expenses of such defense. Any insurance policies required to be maintained pursuant to this Agreement shall in no way limit the extent of the Consultant's responsibility to indemnify as herein provided. The terms of this indemnity shall survive the suspension, expiration or termination of this Agreement.

- (3) **Kotecki Waiver.** The Consultant (and all sub-consultants and sub-contractors into whose subcontract this clause is incorporated) agrees to assume the entire liability for all personal injury claims suffered by its own employees and waives any limitation of liability defense based upon the Worker's Compensation Act and cases decided thereunder. The Consultant agrees to indemnify and defend the Village of Morton Grove and the Morton Grove Affiliates and the Village of Niles and the Niles Affiliates from and against all such loss, expense, damage or injury, including reasonable attorney fees, which the Village of Morton Grove and the Morton Grove Affiliates and the Village of Niles and the Niles Affiliates may sustain as a result of personal injury claims by the Consultant's employees and by the sub-consultants and sub-contractors and their respective employees, except to the extent those claims arise as a result of the Village of Morton Grove's and the Morton Grove Affiliates' own negligence and the Village of Niles' and the Niles Affiliates' own negligence.

- C. **No Personal Liability.** No elected or appointed official or employee of the Village of Morton Grove and the Morton Grove Affiliates and the Village of Niles and the Niles Affiliates shall be personally liable, in law or in contract, to the Consultant as the result of the execution of this Agreement. No employee of the Consultant, Sub-consultants, and Sub-contractors shall be personally liable, in law or in contract, to MGN as the result of the execution of this Agreement.

## **SECTION 9. INSURANCE.**

- A. During the Term of this Agreement, or any extended term, the Consultant shall procure and maintain the following insurance coverages: See **Exhibit "E"** attached to this Agreement.

## **SECTION 10. CONFIDENTIAL INFORMATION; OWNERSHIP OF DOCUMENTS.**

- A. **No Disclosure of Confidential Information.** The Consultant acknowledges that it shall, in performing the Services for MGN under this Agreement, have access, or be directly or indirectly exposed, to Confidential Information, as defined below. The Consultant shall hold confidential all Confidential Information of MGN, Morton Grove and Niles and shall not disclose or use such Confidential Information without the express prior written consent of MGN, Morton Grove or Niles, depending on whose Confidential Information is at issue. The Consultant shall use reasonable measures at least as strict as those the Consultant uses to protect its own confidential information. Such measures shall include, without limitation, requiring its employees and sub-consultants and sub-contractors of the Consultant to execute a non-disclosure agreement (in a format approved by MGN) before obtaining access to Confidential Information.
- (1) **Confidential Information.** All confidential information and data disclosed by MGN and developed or obtained from MGN under this Agreement must be treated by the Consultant as proprietary and confidential information ("Confidential Information"). Based on whose Confidential Information is at issue, the Consultant must not disclose Confidential Information without MGN's or Morton Grove's or Niles' prior written consent. No person may use Confidential Information for any purpose other than for the proper performance of the Services. The obligations under this Section do not apply to Confidential Information that is (i) in the public domain without breach of this Agreement, (ii) developed by the Consultant independently from this Agreement, (iii) received by the Consultant on a non-confidential basis from others who had a right to disclose the information, or (iv) required by law to be disclosed, but only after prior written notice has been received by MGN or Morton Grove or Niles and MGN or Morton Grove or Niles has had a reasonable opportunity to protect disclosure of the Confidential Information. The Consultant must ensure that the foregoing obligations of confidentiality and use extend to and bind the Consultant's employees, sub-consultants and sub-contractors.
- B. **Ownership of Data and Documents.** The Parties expressly agree that all data, documents, records, studies or other information (collectively "Data") provided by MGN to the Consultant or generated, created, found or otherwise completed by the Consultant, and its employees, sub-consultants and sub-contractors, in the performance of Consultant's Services under the terms of this Agreement shall at all times remain the proprietary information of and under the ownership of MGN and shall be provided to MGN by the Consultant upon request of MGN, or at the termination of this Agreement. All Data, regardless of its format, developed or obtained under this Agreement, other than the Consultant's confidential information, will be and remain the sole property of MGN, unless Morton Grove and Niles agree that certain portions of the Data is the sole property of either Morton Grove or Niles. The Consultant must promptly deliver all Data to MGN at MGN's request. The Consultant is responsible for the care and protection of the Data until that delivery. The Consultant may retain one or more copies of the Data. Notwithstanding the foregoing, upon request of MGN at any time, or at the termination of this Agreement, the Consultant shall promptly return to MGN all documents provided to the Consultant by MGN during the Term of this Agreement.
- C. **Intellectual Property.** The Consultant may not infringe on any intellectual property (including but not limited to patents, trademarks, or copyrights) (collectively "Intellectual Property") in the performance of Services. If ever the Consultant is alleged to have infringed on any Intellectual Property, then, in addition to the Consultant's obligations to indemnify Morton Grove and Niles under this Agreement, the Consultant also, at the sole discretion of MGN and at the Consultant's sole expense (a) procure for MGN the right to continue using the infringing subject matter, or (b) replace or modify the infringing subject matter so that it becomes non-infringing but still complies with the requirements of this Agreement, or (c) reimburse MGN for all payments made to the Consultant relating to or impacted by the infringing material and all costs incurred by MGN resulting from such infringement.

- D. **Copyrights and Patents.** The Consultant agrees not to assert, or to allow persons performing under the Consultant's control to assert, any rights to Data or establish any claim under design, patent, or copyright laws. It is expressly agreed that all copyrightable or patentable Data produced as part of Services has been specifically commissioned by MGN and is considered "work for hire," and that all copyrightable and other proprietary rights in that Data will vest solely in MGN. Further, the Consultant agrees that all rights under copyright and patent laws under this Agreement belong to MGN. The Consultant assigns any and all rights, title, and interests under copyright, trademark, and patent law to MGN and agrees to assist MGN in perfecting the same at MGN's expense.
- E. **Advertisements; Media / News Releases; Use of Letterhead or Logo.** The Consultant, and its employees, sub-consultants and sub-contractors, shall not issue any media news releases, advertisements, promotional materials or other public statements regarding the Services without the prior written consent of the MGN Working Group. The Consultant shall not use the letterhead or logo or any servicemark or trademark of Morton Grove without the prior written consent of the Village Administrator of Morton Grove and shall not use the letterhead or logo or any servicemark or trademark of Niles without the prior written consent of the Village Manager of Niles.

## **SECTION 11. COMPLIANCE WITH LAWS.**

- A. **Compliance with Laws.** The Consultant, and its employees, sub-consultants and sub-contractors, shall comply with any and all applicable laws, regulations and rules promulgated by any Federal, State, County, local, or other governmental authority or regulatory body pertaining to all aspects of the Services, now in effect, or which may become in effect during the performance of the Services. The scope of the laws, regulations and rules referred to in this paragraph includes, but is in no way limited to, the Occupational Safety and Health Act standards, the Illinois Human Rights Act, the Illinois Equal Pay Act of 2003, along with the standards and regulations promulgated pursuant thereto (including but not limited to those safety requirements involving work on elevated platforms), all forms of traffic regulations, public utility, Interstate and Intrastate Commerce Commission regulations, Workers' Compensation Laws, the Substance Abuse Prevention on Public Works Projects Act, Prevailing Wage Laws, the Smoke Free Illinois Act, the USA Security Act, the Federal Social Security Act (and any of its titles), and any other law, rule or regulation of the Illinois Department of Labor, Illinois Department of Transportation, Illinois Environmental Protection Act, Illinois Department of Human Rights, Human Rights Commission, EEOC, Metropolitan Water Reclamation District of Greater Chicago, the Village of Morton Grove and the Village of Niles. In the event that the Consultant, or its employees, sub-consultants and sub-contractors, in performing the Services are found to have not complied with any of the applicable laws and regulations as required by this Agreement, then the Consultant shall indemnify and hold MGN harmless, and pay all amounts determined to be due from MGN for such non-compliance the Consultant, including, but not limited to fines, costs, attorneys' fees and penalties.
- (1) **Employment of Illinois Workers on Public Works Act Compliance.** To the extent required by law, the Consultant agree to comply with the provisions of the Employment of Illinois Workers on Public Works Act (30 ILCS 570/0.01 *et seq.*).
  - (2) **Preference To Veterans Act Compliance.** The Consultant will comply with the Preference to Veterans Act (330 ILCS 55).
  - (3) **Patriot Act Compliance.** The Consultant represents and warrants to the Villages that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. The Consultant further represents and warrants to the Villages that the Consultant and its principals, shareholders,

members, partners, or affiliates, as applicable, are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person. The Consultant hereby agrees to defend, indemnify and hold harmless the Villages, their respective corporate authorities, and all of each Village's elected or appointed officials, officers, employees, agents, representatives, engineers, and attorneys, from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the representations and warranties in this subsection.

B. The Parties to this Agreement shall further comply with all applicable federal, state and local laws, rules and regulations in carrying out the terms and conditions of this Agreement, including the following:

- (1) **Certification.** Each Party and its officers, corporate authorities, employees and agents certify that they are not barred from entering into this Agreement as a result of a violation of either 720 ILCS 5/33E-3 or 5/33E-4 (bid rigging or bid rotating) or 5/33E-6 (interference with contract submission and award by public official) or as a result of a violation of 820 ILCS 130/1 *et seq.* (the Illinois Prevailing Wage Act) or as a result of: (1) a delinquency in the payment of any tax administered by the Illinois Department of Revenue or any fee required by any unit of local government or the State, unless the Party is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for the tax or the amount of the tax or the fee, as set forth in Section 11-42.1-1 *et seq.* of the Illinois Municipal Code, 65 ILCS 5/11-42.1-1 *et seq.* Each Party and its officers, corporate authorities, employees and agents further certify by signing this Agreement that the Party and its officers, corporate authorities, employees and agents have not been convicted of, or are not barred for attempting to rig bids, price-fixing or attempting to fix prices as defined in the Sherman Anti-Trust Act and Clayton Act. 15 U.S.C. § 1 *et seq.*; and has not been convicted of or barred for bribery or attempting to bribe an officer or employee of a unit of state or local government or school district in the State of Illinois in that officer's or employee's official capacity. Nor has any of the Parties and their officers, corporate authorities, employees and agents made admission of guilt of such conduct which is a matter of record, nor has any official, officer, agent or employee of the Parties been so convicted nor made such an admission.
- (2) **Non-Discrimination.** Each Party and its officers, corporate authorities, employees and agents agree not to commit unlawful discrimination and agree to comply with all applicable provisions of the Illinois Human Rights Act, Title VII of the Civil Rights Act of 1964, as amended, the Americans with Disabilities Act, the Age Discrimination in Employment Act, Section 504 of the Federal Rehabilitation Act, and all applicable rules and regulations. Each Party maintains a written Sexual Harassment Policy in compliance with Section 2-105 of the Illinois Human Rights Act (775 ILCS 5/2-105(A)(4)). Each Party certifies that it is an "Equal Opportunity Employer" as defined by federal and State laws and regulations, and agrees to comply with the Illinois Department of Human Rights ("IDHR") Equal Opportunity Employment clause as required by the IDHR's Regulations (44 Ill. Adm. Code, Part 750, Appendix A). As required by Illinois law and IDHR Regulation, the Equal Opportunity Employment clause is incorporated by reference in its entirety as though fully set forth herein. Each Party certifies that it agrees to comply with the Prohibition of Segregated Facilities clause, which is incorporated by reference in its entirety as though fully set forth herein. See, *Illinois Human Rights Act (775 ILCS 5/2-105)*. See also, *Illinois Department of Human Rights Rules and Regulations, Title 44, Part 750. Administrative Code, Title 44: Government Contracts, Procurement and Property Management, Subtitle B: Supplemental Procurement Rules, Chapter X: Department of Human Rights, Part 750: Procedures Applicable to All Agencies, Section 750.160: Segregated Facilities (44 Ill. Adm. Code 750.160)*

- (3) **Illinois Freedom of Information Act.** The definition of a public record in the Freedom of Information Act (5 ILCS 140/1 *et seq.*) ("FOIA") includes a "public record that is not in the possession of a public body but is in the possession of a party with whom the agency has contracted to perform a governmental function on behalf of the public body and that directly relates to the governmental function and is not otherwise exempt under this Act." (5 ILCS 140/7(2). Consequently, the Parties must maintain and make available to the other Parties, upon request, their public records relating to the performance of this Agreement in compliance with the requirements of the Local Records Act (50 ILCS 205/1 *et seq.*) and FOIA. To facilitate a response by MGN to any FOIA request, the Consultant agrees to provide all requested public records within five (5) business days of a request being made by MGN. The Consultant agrees to defend, indemnify and hold harmless Morton Grove and Morton Grove Affiliates and Niles and Niles Affiliates, and agrees to pay all reasonable costs connected therewith (including, but not limited to, reasonable attorney and witness fees, filing fees and any other expenses) for Morton Grove and/or Niles to defend any and all causes, actions, causes of action, disputes, prosecutions or conflicts arising from the Consultant's actual or alleged violation of the FOIA or the Consultant's failure to furnish all public records as requested by MGN. Furthermore, should the Consultant request that Morton Grove or Niles utilize a lawful exemption under FOIA in relation to any FOIA request thereby denying that request, the Consultant agrees to pay all costs connected therewith (such as reasonable attorney and witness fees, filing fees and any other expenses) to defend the denial of the request. The defense shall include, but not be limited to, challenged or appealed denials of FOIA requests to either the Illinois Attorney General or a court of competent jurisdiction. The Consultant agrees to defend, indemnify and hold harmless Morton Grove and Morton Grove Affiliates and Niles and Niles Affiliates, and agrees to pay all costs incurred by Morton Grove and/or Niles connected therewith (such as reasonable attorney and witness fees, filing fees, penalties, fines, and any other expenses) to defend any denial of a FOIA request pursuant to the Consultant's request to utilize a lawful exemption.

D. **Consultant Representations.**

- (1) **No Collusion.** The Consultant represents and certifies that the Consultant is not barred from contracting with a unit of State or local government as a result of: (1) a delinquency in the payment of any tax administered by the Illinois Department of Revenue or any fee required by the Village of Morton Grove and the Village of Niles, unless the Consultant is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for the tax or the amount of the tax or the fee, as set forth in Section 11-42.1-1 *et seq.* of the Illinois Municipal Code, 65 ILCS 5/11-42.1-1 *et seq.*; or (2) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 *et seq.* The Consultant represents that the only persons, firms or corporations interested in this Agreement as principals are those disclosed to MGN prior to the execution of this Agreement, and that this Agreement is made without collusion with any other person, firm or corporation. If at any time it shall be found that the Consultant has, in procuring this Agreement, colluded with any other person, firm or corporation, then the Consultant shall be liable to the Village of Morton Grove and/or the Village of Niles for any loss or damage that the Village of Morton Grove and/or the Village of Niles may suffer, and this Agreement shall, at MGN's option, be null and void.
- (2) **Conflict of Interest.**
- (a) The Consultant represents and certifies that, to the best of its knowledge: (1) no Morton Grove or Niles employee or agent is interested in the business of the Consultant or this Agreement; (2) as of the date of this Agreement, neither the Consultant nor any person employed or associated with the Consultant has any interest that would conflict in any manner or degree with the performance of the obligations under this Agreement;



and (3) neither the Consultant nor any person employed by or associated with the Consultant shall at any time during the Term of this Agreement obtain or acquire any interest that would conflict in any manner or degree with the performance of the obligations under this Agreement.

- (b) The Consultant agrees to perform no professional services during the Term of this Agreement for any person, firm or corporation, for any project or work that may be subject to review/inspection by Morton Grove or Niles, to occur or occurring within the corporate limits of Morton Grove or Niles without notification to Morton Grove and/or Niles prior to rendering services. The Consultant agrees to provide Morton Grove and Niles with written notification whenever the Services provided under this Agreement shall require the Consultant to review a project, business or work performed by any other firm or corporation for whom the Consultant is or has within the previous twelve (12) months provided professional services, or with any of the Consultant's partners or principals that have a financial interest.
- (3) **Compliance with Laws, Grant Regulations.** All Services must be provided, performed, and completed in accordance with all required governmental permits, licenses, or other approvals and authorizations, and with applicable statutes, ordinances, rules, and regulations. The Consultant also must comply with applicable conditions of any federal, state, or local grant received by MGN with respect to this Agreement. The Consultant will be solely responsible for any fines or penalties that may be imposed or incurred by a governmental agency with jurisdiction over the Services as a result of the Consultant's improper performance of, or failure to properly perform, any Services.

#### **SECTION 12. DEFAULT AND TERMINATION OF SERVICES.**

This Agreement is at-will and may be terminated by MGN at any time at MGN's convenience, without reason or cause. If MGN terminates this Agreement without reason or cause, then MGN will be liable to the Consultant only for payment of all actual, completed, documented Services through the date of termination. The Consultant shall not be entitled to Compensation of any kind, including without limitation for lost profit, for any Services not performed by the Consultant.

- B. **Termination by Village for Breach.** MGN at any time, by written notice, may terminate this Agreement on account of breach by the Consultant and failure of the Consultant to cure the breach within ten (10) calendar days after that written notice or such further time as MGN may agree, in MGN's sole discretion, in response to a written notice from the Consultant seeking additional time to cure. "Breach" by the Consultant includes (a) failure of the Consultant to adhere to any terms or conditions of this Agreement, (b) failure of the Consultant to properly perform Services, (c) failure of the Consultant to maintain progress in the performance of Services so as to endanger proper performance of the Services within the Project Schedule, or (d) failure of the Consultant to have or maintain adequate financial or legal capacity to properly complete any Services.
- C. **Village Remedies.** If MGN terminates this Agreement for Breach by the Consultant, then MGN will have the right, at its election and without prejudice to any other remedies provided by law or equity, to pursue any one or more of the following remedies:
  - (1) MGN may recover from the Consultant any and all costs, including without limitation reasonable attorneys' fees, incurred by MGN as the result of any Breach or as a result of actions taken by MGN in response to any Breach.
  - (2) MGN may withhold any or all outstanding Compensation to reimburse itself or pay for any and all costs, including without limitation reasonable attorneys' fees, incurred by MGN as the result of any Breach or as a result of actions taken by MGN in response to any Breach. In that

event, MGN will pay any excess funds to the Consultant, if any, after all of MGN's costs are reimbursed or paid. If the Compensation withheld by MGN is insufficient to reimburse MGN for, or pay, all costs, then MGN will have the right to recover directly from the Consultant a sum of money sufficient to reimburse itself, or pay, all remaining costs.

- D. **Termination for Convenience.** If, after termination of this Agreement by MGN for breach, it is determined that the Consultant was not in breach or that the termination otherwise was irregular or improper, then the termination shall be deemed to have been made for the convenience of MGN under this Section 12.
- E. **Termination by Consultant for Breach.** The Consultant at any time, by written notice, terminate this Agreement on account of a failure by MGN to adhere to any terms or conditions of this Agreement and a failure of MGN to cure the breach within ten (10) calendar days after that written notice or such further time as the Consultant may agree, in the Consultant's sole discretion, in response to a written notice from MGN seeking additional time to cure.
- F. **Termination by Consultant without Cause.** The Consultant shall not terminate this Agreement without cause.

### **SECTION 13. GENERAL PROVISIONS.**

- A. **Amendment.** No amendment or modification to this Agreement shall be effective until it is reduced to writing and approved and executed by Morton Grove, Niles and the Consultant.
- B. **Assignment.** The Consultant shall not assign this Agreement or any portion thereof without the prior written approval of Morton Grove and Niles, which shall not be unreasonably withheld. The merger, consolidation or liquidation of the Consultant or any change in the ownership of or power to vote equal to twenty percent (20%) or more of the Consultant's capital stock, as held as of the date of execution of this Agreement, shall be deemed an assignment; provided, however, that the transfer of ownership of shares of capital stock between persons who, on the date of this Agreement, are owners of the Consultant's capital stock or who are employees of Consultant, shall not constitute an assignment. In the event that Morton Grove and Niles establish a water commission in accordance with applicable Illinois law in order to further pursue this Project, then at the option of the water commission and upon written notice to the Consultant, this Agreement shall be automatically assigned to the water commission without any further action by the corporate authorities of the water commission or the Consultant. As part of the written notice of assignment sent to the Consultant, an addendum to this Agreement that memorializes the assignment shall be prepared and sent to the Consultant for execution.
- C. **Binding Effect.** The terms of this Agreement shall bind and inure to the benefit of Morton Grove, Niles and the Consultant, and their agents, successors and assigns.
- D. **Notice.** All notices required or permitted to be given under this Agreement shall be in writing and shall be delivered: (1) by personal delivery; (2) by a reputable overnight courier; (3) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid; or (4) by email delivery to the Party's business email address set forth below. Unless otherwise expressly provided in this Agreement, notices shall be deemed received upon the earlier of: (a) actual receipt; (b) one (1) business day after deposit with an overnight courier, as evidenced by a receipt of deposit; (c) four (4) business days following deposit in the U.S. mail, as evidenced by a return receipt; or (d) date of delivery of the email. By notice complying with the requirements of this Section 13.D., each Party shall have the right to change the address or the addressee, or both, for all future notices and communications to the other Party, but no notice of a change of addressee or address shall be effective until actually received.

Notices and communications to Morton Grove and Niles shall be addressed to, and delivered at, the following addresses:

Attn: Village Administrator  
Richard T. Flickinger Municipal Center  
Village of Morton Grove  
6101 Capulina Avenue  
Morton Grove Illinois 60053  
Phone: (847) 663-3001  
Fax: (847) 370-1649  
Email: rczerwinski@mortongroveil.org

With a copy to:  
Corporation Counsel (same address as Village Administrator)  
Email: [tliston@mortongroveil.org](mailto:tliston@mortongroveil.org)

Attn: Village Manager  
Village of Niles  
1000 Civic Center Drive  
Niles, Illinois 60714  
Phone: (847) 588-8010  
Fax: (847) 588-8051  
Email: [scv@niles.com](mailto:scv@niles.com)

With a copy to:  
Corporation Counsel (same address as Village Manager)  
Email: [dg@niles.com](mailto:dg@niles.com)

Notices and communications to the Consultant shall be addressed delivered to the following address:

Attn: Larry Thomas, P.E.  
Stanley Consultants, Inc.  
8501 West Higgins Road  
Suite 730  
Chicago, Illinois 60631  
Phone: (773) 714-2015 and Cellular Phone: (815) 355-0923  
Fax: (773) 693-7690  
Email: [thomaslarry@stanleygroup.cpm](mailto:thomaslarry@stanleygroup.cpm)

With a copy to:  
Kale Knisley  
Legal Department  
Stanley Consultants, Inc.  
225 Iowa Avenue  
Muscatine, IA 52761  
Phone: (563) 264-6507  
Email: [knisleykale@stanleygroup.com](mailto:knisleykale@stanleygroup.com)

- E. **Third Party Beneficiary.** No claim as a third party beneficiary under this Agreement by any person, firm or corporation shall be made or be valid against Morton Grove and Morton Grove's Affiliates and Niles and Niles' Affiliates.
- F. **Provisions Severable.** If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

- G. **Time.** Time is of the essence in the performance of all terms and provisions of this Agreement.
- H. **Calendar Days and Time.** Unless otherwise provided in this Agreement, any reference in this Agreement to "day" or "days" shall mean calendar days and not business days. If the date for giving of any notice required to be given, or the performance of any obligation, under this Agreement falls on a Saturday, Sunday or federal holiday, then the notice or obligation may be given or performed on the next business day after that Saturday, Sunday or federal holiday.
- I. **Venue and Governing Law.** All questions of interpretation, construction and enforcement, and all controversies with respect to this Agreement, shall 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 Agreement and its enforcement, venue shall be in the Circuit Court of Cook County, Illinois or the Northern District of the United States District Court, Chicago, Illinois, and the Parties consent to the jurisdiction of said Courts for any such action or proceeding.
- J. **Authority to Execute.**
- (1) **Morton Grove and Niles or MGN Water Commission.** The Village of Morton Grove warrants and represents to the Consultant and to Niles that the persons executing this Agreement on its behalf have been properly authorized to do so by its corporate authorities. The Village of Niles warrants and represents to the Consultant and to Morton Grove that the persons executing this Agreement on its behalf have been properly authorized to do so by its corporate authorities. In the event that Morton Grove and Niles establish a water commission in accordance with applicable Illinois law in order to further pursue this Project, the corporate authorities of the water commission shall be authorized to approve and execute this Agreement instead of the corporate authorities of Morton Grove and Niles.
- (2) **The Consultant.** The Consultant warrants and represents to MGN that the persons executing this Agreement on its behalf have the full and complete right, power and authority to enter into this Agreement and to agree to the terms, provisions and conditions set forth in this Agreement, and that all legal actions needed to authorize the execution, delivery and performance of this Agreement have been taken.
- K. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties to this Agreement and supersedes all prior agreements and negotiations between the Parties, whether written or oral, relating to the subject matter of this Agreement.
- L. **Waiver.** The failure of either Party to enforce any term, condition or covenant (herein referred to as "provision") of this Agreement shall not be deemed a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with such provision and every other provision of this Agreement. No provision of this Agreement shall be deemed to have been waived by either Party unless such waiver is in writing by said Party.
- M. **Survival.** The aforesaid covenants, agreements, representations and warranties shall survive the expiration or termination of this Agreement.
- N. **Counterpart Execution.** This Agreement may be executed in counterparts, each of which, when executed, shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- O. **Cumulative Rights and Remedies.** Unless expressly provided to the contrary in this Agreement, each and every one of the rights, remedies, and benefits provided by this Agreement shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law.

P. **Effective Date.** This Agreement shall become effective on the date the last signatory signs this Agreement.

**IN WITNESS WHEREOF,** this Agreement was executed on behalf of the Parties through their authorized representatives, after all duly required corporate action was taken, as set forth below on the signature pages.

**SIGNATURE PAGES AND EXHIBITS TO FOLLOW**

**SIGNATURE PAGE FOR  
CONSULTANT**

**IN WITNESS WHEREOF**, the below authorized corporate officer of Stanley Consultants, Inc. signed this Agreement pursuant to legal authority and direction granted to him/her by the required corporate action.

**Stanley Consultants, Inc.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2017

**Attest:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2017

**SIGNATURE PAGE FOR  
VILLAGE OF MORTON GROVE**

**IN WITNESS WHEREOF**, the below authorized officials of the Village of Morton Grove have signed this Agreement pursuant to legal authorization granted to him/her under Article VII, Section 10 of the 1970 Illinois Constitution, the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) and the corporate approval granted by passage of a Resolution by the Corporate Authorities of the Village of Morton Grove.

**Village of Morton Grove**

By: \_\_\_\_\_  
Name: Daniel DiMaria  
Village President, Village of Morton Grove

Date: \_\_\_\_\_, 2017.

**Attest:**

By: \_\_\_\_\_  
Name: Connie Travis  
Village Clerk, Village of Morton Grove

Date: \_\_\_\_\_, 2017

Approved as to form and legality:

By: \_\_\_\_\_  
Teresa Liston, Village Attorney

**SIGNATURE PAGE FOR  
VILLAGE OF NILES**

**IN WITNESS WHEREOF**, the below authorized officials of the Village of Niles have signed this Agreement pursuant to legal authorization granted to him/her under Article VII, Section 10 of the 1970 Illinois Constitution, the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) and the corporate approval granted by passage of a Resolution by the Corporate Authorities of the Village of Niles.

**Village of Niles**

By: \_\_\_\_\_

Name: Andrew Przybylo  
Mayor, Village of Niles

Date: \_\_\_\_\_, 2017.

**Attest:**

By: \_\_\_\_\_

Name: Marlene Victorine  
Village Clerk, Village of Niles

Date: \_\_\_\_\_, 2017

Approved as to form and legality:

By: \_\_\_\_\_

Danielle Grcic, Village Attorney



**Exhibit "A"**

**Request for Proposals  
RFP Morton Grove and Niles – Detailed Water Supply Corridor and Route Study  
Issue Date: October 12, 2016**

(attached)

**Group Exhibit "B"**

**Consultant's Proposal for Services in regard to MGN RFP dated November 2, 2016  
(incorporated by reference)**

**Final version of the Scope of Services dated January 4, 2017**

**(attached)**

**Projected Labor and Budget dated December 12, 2016**

**(attached)**

**Exhibit "C"**

**Sub-consultant/Sub-contractor List**

As of the execution of this Agreement, the Consultant will organize and manage a Project team inclusive of the following sub-consultants/sub-contractors:

Robinson Engineering, LTD.  
Strand Associates, Inc  
Ciorba Group, Inc.  
Merryman Excavation, Inc.  
Santacruz Land Acquisitions

## Exhibit "D"

### **Compensation and Fee Schedule for Services in Regard to RFP Morton Grove and Niles – Detailed Water Supply Corridor and Route Study ("Fee Schedule")**

The Consultant's fees will be based on the total hours worked on the Project, including travel, plus expenses. The Consultant's current schedule of Hourly Fees and Charges follows on the next page. The actual hourly rates charged for individual employees will be based on their individual billing rates. The Consultant is responsible and has the discretion for the allocation of costs to individual work items based on needed work effort within the limits of the approved not to exceed values.

1. The Consultant's Fee for the Basic Services associated with the Water Supply Corridor and Route Study and the IEPA Project Plan and Loan Application Preparation as described in Exhibit B Part 1, Sections A, B, C, D, E, F, G.1 (Level A survey), and including labor and expenses will not exceed \$660,486.
2. The Consultant's fee for the Basic Services associated with the Skokie Distribution System Repurposing Study as described in Exhibit "B", Part 1, Section H including labor and expenses will not exceed \$57,244.
3. The Consultant's Fee for additional Authorization Level B survey field services and survey related drafting services as may be required to complete the detailed survey of one water transmission main route including labor and expenses as described in Exhibit "B", Part 1, Section G.2 will not exceed \$93,118. **NOTE:** Before the Consultant commences Item 3 work, the corporate authorities of each Village must approve the Item 3 work and the expenditure of funds to pay for the work.
4. The Consultant's Fee for additional Authorization Level C survey field services and survey related drafting services as may be required to complete the detailed survey of a second water transmission main route including labor and expenses as described in Exhibit "B", Part 1, Section G.3 will not exceed \$83,558. **NOTE:** Before the Consultant commences Item 4 work, the corporate authorities of each Village must approve the Item 4 work and the expenditure of funds to pay for the work.
5. Compensation for Additional Services is not included in the Basic Services described in Exhibit B Part 1. Additional Services agreed to by MGN, in writing, shall be compensated on an Hourly basis for labor plus reimbursable expenses, in accordance with the Hourly Fees and Charges included with this exhibit unless other compensation is agreed upon prior to performance of the services.

(Informational Note: The total Fee for Items 1 and 2 is \$717,730.00)

**VILLAGE OF MORTON GROVE, ILLINOIS  
VILLAGE OF NILES, ILLINOIS**

**WATER SUPPLY CORRIDOR & ROUTE STUDY**

**EXHIBIT D – COMPENSATION  
HOURLY FEES AND CHARGES**

<b>CATEGORY</b>	<b>HOURLY FEES</b>
Principals	\$175 - \$300
Project Managers	\$155 - \$250
Lead Civil & Mechanical Engineers	\$120 - \$220
Sr. Civil & Mechanical Engineers	\$120 - \$170
Hydraulic Engineers	\$100 - \$130
Civil & Mechanical Engineers & Architects	\$ 90 - \$130
Structural & Electrical Engineers	\$120 - \$170
I&C Engineers	\$120 - \$160
Surveyors	\$ 90 - \$140
Permit Engineers	\$120 - \$160
Constructability Reviewer & Cost Estimator	\$140 - \$250
Administrative Assistants	\$ 80 - \$120
Designers	\$ 90 - \$130
System Operations Engineer	\$130 - \$160
Quality Assurance/Quality Compliance Engineers	\$160 - \$250
Land Appraiser	\$140 - \$250

**Reimbursable Costs\*:**

Travel:	Cost + 10%
Filing Fees, Permits, Title Company Charges, & Government Review Fees:	Cost + 10%
Reproductions:	Cost + 10%
Delivery Charges:	Cost + 10%
Outside Consultants:	Cost

\*The Consultant may request reimbursement of these Reimbursable Costs, upon proper documentation, but such reimbursement shall be paid as part of the payment of and within the dollar amount of the Not-To-Exceed Fee. See, Section 6(A) above.

Exhibit "E"

Insurance Requirements for the Consultant

A. Worker's Compensation as required by the Workers' Compensation Act of the State of Illinois with limits not less than:

- (1) Worker's Compensation: Statutory;
- (2) Employer's Liability:
  - \$500,000 injury-per occurrence
  - \$500,000 disease-per employee
  - \$500,000 disease-policy limit

Such insurance shall evidence that coverage applies in the State of Illinois.

B. Comprehensive Motor Vehicle Liability with a combined single limit of liability for bodily injury and property damage of not less than \$1,000,000 for vehicles owned, non-owned, or rented. All Consultant employees shall be included as insureds.

C. Comprehensive General Liability with coverage written on an "occurrence" basis and with limits no less than:

\$2,000,000 Bodily Injury and Property Damage Combined Single Limit Coverage.

Coverages shall include:

- Broad Form Property Damage Endorsement
- Blanket Contractual Liability (must expressly cover the indemnity provisions of the Contract)

D. Professional Liability Insurance. With a limit of liability of **not less than \$5,000,000 per occurrence and \$5,000,000 in the aggregate** and covering Consultant against all sums that Consultant may be obligated to pay on account of any liability arising out of the Contract. **The policy shall be written on an "occurrence" basis, unless the policy that covers these Services is already in existence. If the existing policy is written on a claims-made form, the retroactive date must be equal to or preceding the Effective Date of this Agreement to cover the actual commencement date of any work and services that the Consultant or any sub-consultant has performed in regard to this Project.** If the policy is cancelled, non-renewed, or switched to an occurrence form, then the Consultant must purchase supplemental extending reporting period coverage for a period of not less than five (5) years after the Completion Date.

E. Umbrella Policy. The required coverages may be in any combination of primary, excess, and umbrella policies. Any excess or umbrella policy must provide excess coverage over underlying insurance on a following-form basis such that when any loss covered by the primary policy exceeds the limits under the primary policy, the excess or umbrella policy becomes effective to cover such loss.

F. Village of Morton Grove, Village of Niles and the Morton Grove – Niles Water Commission as Additional Insureds. Village of Morton Grove, Village of Niles and the Morton Grove – Niles Water Commission shall be named as an Additional Insureds on all policies except for: Worker's Compensation and Professional Liability. Additional Insured endorsement shall identify the Additional Insureds as follows: Village of Morton Grove, including its former, current and future appointed and elected officials, officers, village president and trustees, employees, agents, engineers, attorneys and representatives ("Morton Grove Affiliates") and Village of Niles, including its former, current and future appointed and elected officials, officers, village president and trustees, employees, agents, engineers, attorneys and representatives ("Niles Affiliates") and the Morton Grove – Niles Water Commission, including its Board members and appointed officials, its officers, employees, agents, engineers, attorneys, and representatives ("MG-N Commission Affiliates") (if created by Morton Grove and Niles).

G. Primary Coverage. The insurance coverage must be primary with respect to the Village of Morton Grove and the Morton Grove Affiliates, the Village of Niles and the Niles Affiliates and the Morton Grove – Niles Water Commission and the MG-N Commission Affiliates. Any insurance or self-insurance maintained by Village of Morton Grove, Village of Niles and Morton Grove – Niles Water Commission will be excess of the Consultant's insurance and will not contribute with it.

H. Reporting Failures. Any failure to comply with reporting provisions of any policy must not affect coverage provided to the Village of Morton Grove and the Morton Grove Affiliates, the Village of Niles and the Niles Affiliates and the Morton Grove – Niles Water Commission and the MG-N Commission Affiliates.

I. Severability of Interests/Cross Liability. The insurance must contain a Severability of Interests/Cross Liability clause or language stating that the insurance will apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's ability.

J. Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of no less than A-, VII and licensed to do business in the State of Illinois.

K. Verification of Coverage. The Consultant must furnish Village of Morton Grove, Village of Niles and Morton Grove – Niles Water Commission with certificates of insurance naming the Village of Morton Grove and the Morton Grove Affiliates, the Village of Niles and the Niles Affiliates and the Morton Grove – Niles Water Commission and the MG-N Commission Affiliates as additional insureds and with original endorsements affecting coverage. The certificates and endorsements for each insurance policy must be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements may be on forms provided by Village of Morton Grove, Village of Niles and Morton Grove – Niles Water Commission and in any event must be received and approved by Village of Morton Grove, Village of Niles and Morton Grove – Niles Water Commission before any work commences. Other additional-insured endorsements may be utilized, if they provide a scope of coverage at least as broad as the coverage stated on the ISO Additional Insured Endorsements CG 2010 or CG 2026. MGN reserves the right to request a full certified copy of each insurance policy and endorsement.

L. Sub-Consultants and Suppliers. The Consultant must include all sub-consultants/sub-contractors as insureds under its policies or must furnish separate certificates and endorsements for each sub-consultant/sub-contractor. All coverage for sub-consultant/sub-contractors are subject to all of the requirements stated in this Agreement.

NOTE #1: Upon execution of this Agreement, the Consultant shall furnish to Village of Morton Grove, Village of Niles and Morton Grove – Niles Water Commission satisfactory proof of coverage of the above insurance requirements. Such proof shall consist of certificates executed by the respective insurance companies together with executed copies of an "Additional Insured Endorsement" in a form acceptable to Village of Morton Grove, Village of Niles and Morton Grove – Niles Water Commission. Said certificates shall expressly provide that, for the duration of this Agreement, the insurance policy shall not be suspended, cancelled or reduced in coverage or amount, except after thirty (30) calendar days prior notice by certified mail, return receipt requested, has been addressed and provided to the Village Administrator of Morton Grove and the Village Manager of Niles at their business addresses listed in Section 13 of the Agreement.

Exhibit "F"

**SERVICES CHANGE ORDER FORM**

**SERVICES CHANGE ORDER NUMBER \_\_\_\_\_**

In accordance with Section \_\_\_\_ of the Agreement dated \_\_\_\_\_, 2017 between the MGN and the Consultant, the Parties agree to the following Services Change Order:

1. **Change in Services:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. **Change in Project Schedule** (attach schedule if appropriate): \_\_\_\_\_  
\_\_\_\_\_
3. **Change in Completion Date:** All Services must be completed on or before: \_\_\_\_\_, 20\_\_\_\_
4. **Change in Compensation:** \_\_\_\_\_  
\_\_\_\_\_

**ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT REMAIN UNCHANGED.**

**MGN**

**CONSULTANT**

\_\_\_\_\_  
MGN Representative

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Printed or Typed)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

If compensation change is greater than \$20,000 (individual request or in the aggregate) then Morton Grove's and Niles' Board of Trustees approval and Village Presidents signatures are required.

\_\_\_\_\_  
Village President

\_\_\_\_\_, 20\_\_\_\_.  
Date

\_\_\_\_\_  
Village President

\_\_\_\_\_, 20\_\_\_\_.  
Date



## Legislative Summary

### **Ordinance 17-02**

#### **AN ORDINANCE APPROVING A SPECIAL USE PERMIT FOR A MASSAGE ESTABLISHMENT AT 9400 WAUKEGAN ROAD, MORTON GROVE, ILLINOIS**

**Introduction:** January 9, 2017

**Purpose:** To approve a special use permit for a Massage Establishment that offers full-body massages at 9400 Waukegan Road.

**Background:** Mr. Bob Xi, the prospective business owner and tenant ("Applicant"), and Mr. James Sideris, ("the Property Owner") of 9400 Waukegan Road ("the Property"), filed an application for a special use permit to allow for a Massage Establishment that offers full body and foot massages, by licensed massage therapists, at the Property per Section 12-4-3:D of the Unified Development Code. The establishment would occupy approximately 1,000 sq. ft. of tenant space within the 9400-9416 Waukegan Road shopping center and is proposed to be open from 10:00AM-9:00PM Monday-Saturday and from 12:00PM-8:00PM on Sunday. The Applicant owns and operates six similar facilities including "Feet First Reflexology Center" in Vernon Hills and "Refresh Spa" in Calumet City Illinois. In accordance with Section 12-7-3:B, the Applicant hired Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA) to complete a traffic and parking impact statement for the proposed massage establishment ("Traffic and Parking Impact Statement", prepared by KLOA, dated August 10, 2016, and updated on November 15, 2016). KLOA concluded the parking demand for this project can be accommodated by the shared use of the existing 33 space shopping center parking lot. The Traffic Safety Commission Chair concurred with this conclusion, and pursuant to Section 12-16-4:A.2, waived the full review of this application by the TSC. The Appearance Commission review was also not required since there are no proposed changes to the building façade. Based on the application, supporting documents and testimony presented at the November 21, 2016 Public Hearing, the Plan Commission voted 6-0 (Khan absent) to recommend approval of this application with conditions.

The operation of this establishment will be governed by Title 4 Chapter 6J which was approved by the Village Board on December 12, 2016 pursuant to Ordinance 16-26 , which imposes minimum standards and requirements for the operation of massage establishment. These regulations require all massage establishments to be licensed and regularly inspected. This will be the first massage establishment licensed under these new and more stringent regulation.

**Programs, Departs or Groups Affected** Community and Economic Development

**Fiscal Impact:** N/A

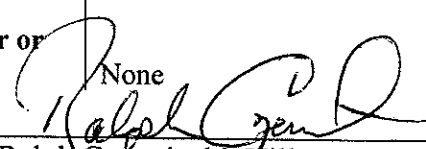
**Source of Funds:** N/A

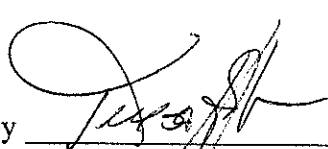
**Workload Impact:** Community and Economic Development in the normal course of business.

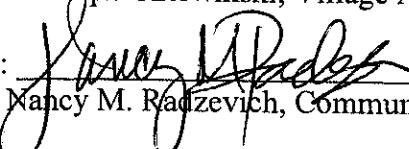
**Admin Recommend:** Approval as presented

**Second Reading:** January 23, 2017

**Special Consider or Requirements:** None

Submitted by:   
Ralph Czerwinski, Village Administrator

Reviewed by:   
Teresa Hoffman Liston, Corporation Counsel

Prepared by:   
Nancy M. Radzevich, Community and Economic Development Director

**ORDINANCE 17-02**  
**AN ORDINANCE APPROVING A SPECIAL USE PERMIT FOR A MASSAGE**  
**ESTABLISHMENT AT 9400 WAUKEGAN ROAD, MORTON GROVE, IL**

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule unit of government under the provisions of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, 9400 Waukegan Road is an approximately 1,000 sq. ft. tenant space, within an existing multi-tenant shopping center, commonly known as 9400-9416 Waukegan Road, Morton Grove, Illinois; and

WHEREAS, the property is located in the C1 General Commercial District; and

WHEREAS, Section 12-4-3:D of the Unified Development Code requires a Special Use Permit for any Massage Establishment that offers full-body massages; and

WHEREAS, Bob Xi, the owner and operator of the proposed massage establishment ("Applicant"), and James Sideris, the owner of the subject property ("Property Owner"), filed proper application to the Plan Commission in the Village of Morton Grove under case number PC16-09 requesting a special use permit for a massage establishment at the property commonly known as 9400 Waukegan Road, Morton Grove, Illinois 60053 to allow for a Massage Establishment that offers full body and foot massages; and

WHEREAS, the Applicant currently owns and operates six (6) existing massage establishments, including two within the Chicago metropolitan area, and has stated that the proposed Massage Establishment at 9400 Waukegan Road will be operated in a similar manner to his existing establishments; and

WHEREAS, upon receipt of the Special Use application, the Village staff advised the Applicant and Property Owner that the Village was in the process of modifying the Village Code relating to Massage Establishments and Massage Therapists and the Applicant and Property Owner acknowledged and agreed that if their Special Use application was approved they would be required to comply with the new regulations, as adopted; and

WHEREAS, pursuant to the applicable provisions of the Municipal Code, notice of the public hearing was duly published in the *Pioneer Press*, a newspaper of general circulation in the Village of Morton Grove, on September 1, 2016 and signs were duly posted on the property and written notification sent to property owners within 250 feet of the subject property on September 9, 2016; and

WHEREAS, the proposed Massage Establishment will offer foot and full body massages by licensed massage therapists, primarily on a walk-in basis; and

WHEREAS, in 2013 the Board of Trustees reviewed and approved an application for a Special Use for a parking waiver in excess of 35% for the 9400-9416 Waukegan Road granting a 21 stall waiver for the shopping center in association with the establishment of a restaurant within the same 9400 Waukegan Road tenant space (Ord. 13-02); and

WHEREAS, the proposed Massage Establishment will have shared access to the 33 parking spaces that currently exist at the 9400-9416 Waukegan Road shopping center; and

WHEREAS, in accordance with Section 12-7-3:B of the Village Code, the applicant submitted a traffic and parking study by Kenig, Lindgren, O'Hara, Aboona, Inc. (KLOA) that stated the proposed Massage Establishment would have a projected parking demand of four (4)-to five (5) spaces, which KLOA believe can be accommodated by the shared parking within the existing 33 stall lot ("Traffic and Impact Parking Statement Proposed Massage Parlor," prepared by KLOA, dated August 10, 2016; REV: November 15, 2016); and

WHEREAS, based on the parking requirements established in the Village Code and KLOA's analysis, the proposed massage establishment use is expected to be less intense than the previous restaurant use that occupied the 9400 Waukegan Road tenant space and as such no additional parking waivers are required in association with this Special Use application; and

WHEREAS, in accordance with Section 12-16-4:A.2, the chairperson of the Traffic Safety Commissions (TSC) reviewed the application and traffic and parking study, concurred with the KLOA determination that the proposed use would have an insignificant negative impact, and waived the full TSC review; and

WHEREAS, as required by ordinance, the Morton Grove Plan Commission held a public hearing relative to the above referenced case, which was originally scheduled for September 19, 2016 and, as requested by the Applicant and Property Owner, was continued to October 17, 2016 and again to November 21, 2016. At the November 21, 2016 public hearing all concerned parties were given the opportunity to be present and express their views for the consideration by the Plan Commission; and

WHEREAS, as a result of said public hearing, the Plan Commission made certain recommendations and conditions through a report dated January 3, 2017, a copy of which is attached hereto and made a part hereof and marked as Exhibit "A"; and

WHEREAS, subsequent to the close of the Plan Commission public hearing the Village Board adopted Ordinance 16-26, "Massage Establishments and Massage Therapists," and in order

to ensure compliance with the new regulations, the Applicant make slight modifications to the previously submitted interior building plan and filed such updated plan with the Village on December 15, 2016; and

WHEREAS, such modification to the interior building plan did not alter the intent or intensity of the proposed message establishments and was modified plan was reviewed by the Chairperson of the Plan the Commission and deemed to be in substantial compliance with the plans and Special Use application recommended for approval by the Commission; and

WHEREAS, the Corporate Authorities have considered this matter at a Public Meeting and find pursuant to the relevant provisions of the Village of Morton Grove Unified Development Code, this Special Use to establish a massage establishment at 9400 Waukegan Road shall be issued subject to the conditions and restrictions as set herein.

**NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS, AS FOLLOWS:**

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Ordinance, as though fully set forth herein, thereby making the findings as hereinabove set forth:

SECTION 2: The property located at 9400 Waukegan Road, Morton Grove, Illinois 60053, is hereby granted a special use permit to allow a Massage Establishment with full body and foot massages, and such special use shall be located and operated at that address subject to the following conditions and restrictions which shall be binding on the owners/lessees, occupants and users of this property, their successors and assigns for the duration of the special use:

1. The building shall be developed and operated consistent with the plans and supporting documents in the application, identified in this report and/or presented at the Public Hearing, including the following:
  - A. Proposed Floor Plan, prepared by Bob Xiang, dated September 1, 2016; REV: December 15, 2016; and
  - B. Traffic study " Traffic and Impact Statement Proposed Massage Parlor", prepared by KLOA, dated August 10, 2016; REV: November 15, 2016
2. The applicant shall advise the Director of Community and Economic Development of any of the following:
  - A. any proposed change in ownership of the subject property and/or principal business;
  - B. any change in hours of operation;

- C. any alterations to or changes in uses or configuration of any of the interior spaces;
- D. any increases in staffing levels above those projected in the KLOA traffic study “Traffic and Impact Statement Proposed Massage Parlor”, dated August 10 , 2016; REV: November 15, 2016; and
- E. any other changes to the massage establishment use that could increase the intensity and/or increase the parking demand.

Such changes may require the owners, lessees, and users of 9400 Waukegan Road to submit an updated parking analysis, and may subject the owners, lessees, and users of 9400 Waukegan Road to additional conditions and may serve as the basis for further amendment to the special use permit.

- 3. Prior to the issuance of any certificates of, the applicant shall provide a statement as to whether the funding source for the opening of the massage establishment is the Applicant, or a State or federally regulated financial institution or some other person or entity. If the funding source is other than the Applicant or a State or federally regulated financial institution, the name, current address, and current telephone number of the funding source shall be supplied; and
- 4. Prior to the issuance of any certificates of occupancy or annual renewal of the Business Compliance Certificate, the Applicant shall provide written statement with the current name(s), address(es), and telephone number(s) of all licensed massage therapist(s) at this establishment. In addition, Applicant shall provide a certified copy of each of such massage therapist(s) license(s) as regulated by the Illinois Department of Professional Regulation.
- 5. If the Applicant hires any new massage therapists at any point after issuance of the certificates of occupancy or annual renewal of the Business Compliance Certificate, the Applicant shall provide the Village all the information and documents listed in 4., above, prior to any such new massage therapists starting work at this Establishment.
- 6. If the Applicant wants to modify the design of individual massage rooms to install doors instead of curtains, as currently proposed on the approved Plans, the Applicant shall notify the Director of Community and Economic Development of such proposed change and provide updated floor plans for review. In no event shall any such future doors be equipped with locking devices and shall not be blocked or obstructed from either side. Such a proposed modification may result in the need for an amendment to the approved special use.
- 7. The Applicant shall ensure that all managers and staff who are employed at this Establishment are aware of the conditions for this Special Use.

SECTION 3: The owners, lessees, occupants, and users of 9400 Waukegan Road, their successors and assigns allow employees and authorized agents of the Village of Morton Grove access to the premise at all reasonable times for the purpose of inspecting said premise to verify all terms and conditions of this special use permit have been met.

SECTION 4: The special use is granted so long as the owner, occupant and users of this property utilize the area for the purposes as herein designated.

SECTION 5: The Village Clerk is hereby authorized and directed to amend all pertinent records of the Village of Morton Grove to show and designate the special use as granted and amended hereunder.

SECTION 6: The Applicant/Owner shall comply with all requirements of the Village of Morton Grove Ordinances and Codes that are applicable.

SECTION 7: This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form according to law.

PASSED this 23<sup>rd</sup> day of January 2017.

Trustee Gear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED by me this 23<sup>rd</sup> day of January 2017.

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

APPROVED and FILED in my office this  
23<sup>rd</sup> day of January

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

**To: Village President and Board of Trustees**

**From: Steven Blonz, Chairperson, Plan Commission**  
**Nancy Radzevich, AICP, Community and Economic Development Director**  
**Dominick A. Argumedo, AICP, Zoning Administrator/Land-Use Planner**

**Date: January 3, 2017**

**Re: Plan Commission Case PC16-09: Request for a Special Use Permit for a  
Massage Establishment, in accordance with Section 12-4-3:D. of the  
Unified Development Code (Ordinance 07-07) at 9400 Waukegan Road**

**Commission Report**

**Public Notice**

The Village of Morton Grove provided Public Notice for the September 19, 2016 Plan Commission public hearing for PC 16-09 in accordance with the Unified Development Code. The Pioneer Press published the public notice on September 1, 2016, and the Village notified surrounding property owners via mail on September 2, 2016 and placed a public notice sign on the subject property on September 9, 2016.

After notification of the public hearing, staff noted that some site improvements that had previously been approved for the 9400 Waukegan Road location were not yet complete. The applicants requested to continue the case until those could be finalized. At their September 19, 2016 and again October 17, 2016 meetings, the Plan Commission voted unanimously to support the request to continue the public hearing to a date certain, with the final continuance to November 21, 2016. In the interim the site improvements were completed.

**Property Background**

The subject property is improved with a 9,300 sq. ft. multi-tenant commercial building and a 33 space parking lot, and is zoned C1 General Commercial District.

**Overview of the Application**

Mr. Bob Xi, the prospective tenant ("Applicant"), and James Sideris, the property owner ("Property Owner"), filed an application for a special use permit to allow for a Massage Establishment at 9400 Waukegan Road. The Applicant, who operates similar facilities in Vernon Hills (Feet First/Reflexology Center) and in Calumet City (Refresh Spa), proposes to offer full body and foot massages. The establishment is proposed to be open from 10:00AM-9:00PM Monday-Saturday and from 12:00PM-8:00PM on Sunday.

Section 12-4-3:D of the Unified Development Code requires a Special Use Permit for any Massage Establishment that offers full-body massages.

Per Section 12-7-3:B of the Unified Development Code, proposed parking standards identified in the code as "Required Spaces By Use" shall be advisory only for Special Use applications as the required parking will be reviewed and established as part of the Special Use Permit. The final

number of required parking spaces for Special Use Permits is set by the Village Board based on the submitted independent traffic and parking study and any traffic and parking recommendations by the Traffic Safety and Plan Commissions and/or staff.

#### November 21, 2016 Public Hearing

Mr. Dominick Argumedo, Zoning Administrator/Land-Use Planner, introduced the case and summarized the Plan Commission staff report dated November 15, 2016, which was entered, in its entirety, into the public record. (Attachment 1)

Mr. Bob Xi was sworn in and provided an overview of the proposed facility's operations. Mr. Xi noted that this would be his 7<sup>th</sup> location. In addition to the two Chicago area locations, he has establishments in Ohio and West Virginia. Mr. Xi expects that 60% of his business would be from foot massages and the remaining 40% from full body massages.

Commissioner Gabriel asked if the proposed establishment would operate mainly on appointments – Mr. Xi responded that his business works mainly on walk-in customers. Mr. Gabriel asked Mr. Xi has what the typical wait times are under his business model – particularly at busy times. Mr. Xi responded that customers do typically have to wait, but on those rare occasions when they do, patrons have not waited longer than 20 minutes.

Chairperson Blonz confirmed with Mr. Xi that curtains will be used on the individual rooms.

Commissioner Dorgan asked if the Unified Development Code included any regulations about the distance from the proposed establishment to Golf Junior High School across Waukegan Road. Mr. Argumedo confirmed that the Unified Development Code does not include any distance requirements between massage establishments and schools.

Mr. Shimanski made a motion to recommend approval of Case #PC16-09, a request for a Special Use Permit for a Massage Establishment, in accordance with Section 12-4-3:D, at 9400 Waukegan Road, Morton Grove, IL, with the following conditions:

1. The building shall be developed and operated consistent with the plans and supporting documents in the application, identified in this report and/or presented at the Public Hearing, including the following:
  - A. Proposed Floor Plan, prepared by Bob Xiang, dated September 1, 2016
  - B. Traffic study "Parking evaluation North Shore Faucets Expansion", prepared by KLOA, dated August 10, 2016; REV: November 15, 2016
2. The applicant shall advise the Director of Community and Economic Development of any of the following:
  - A. any proposed change in ownership of the subject property and/or principal business;
  - B. any change in hours of operation;
  - C. any alterations to or changes in uses or configuration of any of the interior spaces;
  - D. any increases staffing levels above those projected in the KLOA traffic study "Traffic and Impact Statement Proposed Massage Parlor", dated August 10, 2016, REV: November 15, 2016; and
  - E. any other changes to the massage establishment use that could increase the intensity and/or increase the parking demand.

Such changes may require the owners, lessees, and users of 9400 Waukegan Road to submit an updated parking analysis, and may subject the owners, lessees, and users of



9400 Waukegan Road to additional conditions and may serve as the basis for further amendment to the special use permit.

3. The applicant shall provide a statement as to whether the funding source for the opening of the massage establishment is the Applicant, or a State or federally regulated financial institution or some other person or entity. If the funding source is other than the Applicant or a State or federally regulated financial institution, the name, current address, and current telephone number of the funding source shall be supplied.
4. Prior to the issuance of any certificates of occupancy and/or the Business Compliance Certificates, the Applicant shall provide the current name(s), address(es), and telephone number(s) of all licensed massage therapist(s) at this establishment. In addition, Applicant shall provide a certified copy of each of such massage therapist(s) license(s) as regulated by the Illinois Department of Professional Regulation.
5. The Applicant shall provide the Village all the information and documents listed in 4., above, prior to any new massage therapists beginning to work at this Establishment.
6. If the operator of the massage establishment desires to modify the individual massage rooms by switching from curtains to doors, the Director of Community and Economic Development shall be notified and updated plans shall be submitted for review. In no event shall any such future doors be equipped with any locking device and shall not be blocked or obstructed from either side. Such a proposed modification may result in the need for an amendment to any approved special use.
7. The Applicant shall ensure that all managers and staff who are employed at this Establishment are aware of the conditions for this Special Use.

The motion passed unanimously 6-0 (Khan absent).

Subsequent to the close of the public hearing and action taken by the Plan Commission, the applicant made a minor revision to the submitted floor plan to comply with Ordinance 16-26 "Massage Establishments and Massage Therapists," approved by the Village Board on December 9, 2016. Specifically, on the original plans, the applicant proposed to convert the existing second restroom into a laundry area. The revised buildings plan, dated December 15, 2016, shows both restrooms to remain to ensure the business will have dedicated restrooms for each gender and the laundry area relocated to an area previously identified for use as storage.

On December 28, 2016, the Chairperson of the Plan Commission reviewed the modification to the building floor plan and concluded that such modification did not change the intent or intensity of the proposed Massage Establishment use or the special use permit and did not warrant any further review by the Plan Commission.

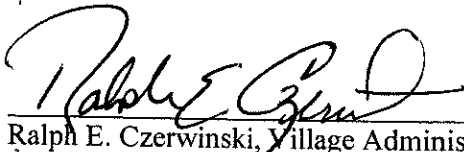
## Legislative Summary

### Ordinance 17-03

#### **AMENDING TITLE 5, CHAPTER 13, ARTICLE A, SECTION 1 ENTITLED "ONE-WAY STOP INTERSECTIONS" AND TITLE 5, CHAPTER 13, ARTICLE F, SECTION 1 ENTITLED "NO PARKING STREETS" OF THE MUNICIPAL CODE OF THE VILLAGE OF MORTON GROVE**

<b>Introduced:</b>	January 9, 2017
<b>Purpose:</b>	To refine parking restrictions on the new configuration of Theobald Road, Mango Avenue and South Park Avenue near the location where these streets previously intersected.
<b>Background:</b>	Resolution 16-40 authorized improvements at the intersection of Theobald Road, Mango Avenue and South Park Avenue to improve the movements of vehicles and make a shorter crossing for pedestrians along marked mid-block crosswalks. These improvements have created a need to reconsider whether and how to redefine parking regulations and traffic control. Village staff initiated a public review of recommended parking restrictions and traffic control near this location. The Traffic Safety Commission (TSC) received a request for a proposal for parking restrictions and traffic control on Theobald Road between Menard Avenue and Major Avenue, and near the intersection of Mango Avenue with South Park Avenue. TSC reviewed this request at their December 2016 meeting. There is one-way stop control on northbound Mango Avenue at South Park Avenue and on westbound South Park Avenue at Theobald Road. There is an existing parking regulation on the south side of Theobald Road from the centerline of Mango Avenue to a point 195 feet east of the centerline of Mango Avenue. The Traffic Safety Commission recommended deleting the stop sign restrictions at South Park Avenue and Mango Avenue from Municipal Code Section 5-13A-1. They also recommended amending Section 5-13F-1 to: (1) extend the existing parking restrictions on the south side of Theobald to include the driveway west of the crosswalk; and (2) prohibit parking on the north side of Theobald Road between the driveways east and west of the crosswalks as well as on both sides of the curve where Mango Avenue meets South Park Avenue. The limits of the recommended restrictions are illustrated in the attached Exhibit "A". This ordinance is intended to codify the recommendations of the Traffic Safety Commission.
<b>Programs, Departments or Groups Affected</b>	Public Works Department
<b>Fiscal Impact:</b>	Approximately \$800 to install 16 signs
<b>Source of Funds:</b>	General Fund Account Number 025017-563130
<b>Workload Impact:</b>	The Public Works Department will replace the signs as part of their normal work day.
<b>Admin Recommend:</b>	Approval as presented.
<b>Second Reading:</b>	Required – Code Book Change – January 23, 2017
<b>Special Consideration or Requirements:</b>	None


Respectfully submitted:

  
Ralph E. Czerwinski, Village Administrator

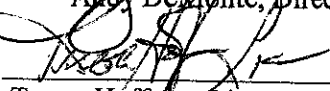
Reviewed by:

  
Andy DeMonte, Director of Public Works

Prepared by:

  
Chris Tomich, Village Engineer

Reviewed by:

  
Teresa Hoffman Liston, Corporation Counsel

## **ORDINANCE 17-03**

### **AMENDING TITLE 5, CHAPTER 13, ARTICLE A, SECTION 1 ENTITLED "ONE-WAY STOP INTERSECTIONS" AND TITLE 5, CHAPTER 13, ARTICLE F, SECTION 1 ENTITLED "NO PARKING STREETS" OF THE MUNICIPAL CODE OF THE VILLAGE OF MORTON GROVE**

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule unit of government under the provisions of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, Resolution 16-40 authorized improvements at the intersection of Theobald Road, Mango Avenue and South Park Avenue to improve the movements of vehicles and make a shorter crossing for pedestrians; and

WHEREAS, the improvements manifest a practical need to refine parking restrictions in this vicinity; and

WHEREAS, the decision of whether and what parking restrictions and traffic control would be needed was postponed until the improvements were finalized; and

WHEREAS, those improvements are now complete; and

WHEREAS, Village staff initiated a public review of recommended parking restrictions and traffic control on Theobald Road, Mango Avenue and South Park Avenue; and

WHEREAS, the Village established the Traffic Safety Commission to receive, review, and present recommendations to the President and Board of Trustees regarding requests or inquiries on matters involving traffic safety, including requests for installation of traffic control devices; and

WHEREAS, the Traffic Safety Commission received a request to review a proposal for parking restrictions and traffic control on Theobald Road between Menard Avenue and Major Avenue, and near the intersection of Mango Avenue with South Park Avenue; and

WHEREAS, the Traffic Safety Commission, at its regularly scheduled meeting at 7:00 pm on December 1, 2016, at the Richard T. Flickinger Municipal Center, considered the above referenced request; and

WHEREAS, notifications of the meetings were sent to residents in the area and Muslim Education Center; and

WHEREAS, the Municipal Code includes one-way stop control on northbound Mango Avenue at South Park Avenue and on westbound South Park Avenue at Theobald Road; and

WHEREAS, the Municipal Code includes a parking regulation on the south side of Theobald Road from the centerline of Mango Avenue to a point 195 feet east of the centerline of Mango Avenue; and

WHEREAS, the Traffic Safety Commission recommended enacting parking regulations consistent with limits shown in Exhibit "A" and also that stop signs at South Park Avenue and Mango Avenue be removed.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Ordinance as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: Title 5, Chapter 13, Article A, Section 1 entitled "One-Way Stop Intersections" of the Municipal Code is hereby amended to delete the following restriction:

5-13A-1: **ONE-WAY STOP INTERSECTIONS:** The following intersections are hereby designated as one-way stop intersections; and the superintendent of public works shall post appropriate signs at all such intersections:

<u>Street</u>	<u>Direction</u>	<u>At Its Intersection With</u>
Mango Avenue	Northbound	South Park Avenue
South Park Avenue	Westbound	Theobald Road

SECTION 3: Title 5, Chapter 13, Article F, Section 1 entitled "No Parking Streets" of the Municipal Code is hereby amended to delete the following restriction:

5-13F-1: **NO PARKING STREETS:** There shall be no parking at the times listed below on any of the following streets; and the Director of Public Works or his designee shall place "no parking" signs in or at suitable places within the no parking zones herein established which specify the parking restrictions herein established:

<u>Street</u>	<u>Between</u>	<u>Side of Street</u>
Theobald Road	From the centerline of Mango Avenue to a point along the south side of Theobald Road 195 feet northeast of the centerline of Mango Avenue	South

SECTION 4: Title 5, Chapter 13, Article F, Section 1 entitled "No Parking Streets" of the Municipal Code is hereby amended to add the following restriction:

5-13F-1: **NO PARKING STREETS:** There shall be no parking at the times listed below on any of the following streets; and the Director of Public Works or his designee shall place "no parking" signs in or at suitable places within the no parking zones herein established which specify the parking restrictions herein established:

<u>Street</u>	<u>Between</u>	<u>Side of Street</u>
Mango Avenue	Midpoint of centerline curve with South Park Avenue through curve to a point 55 feet south of the centerline of South Park Avenue	Both
South Park Avenue	Midpoint of centerline curve with Mango Avenue through curve to a point 55 feet east of the centerline of Mango Avenue	Both
Theobald Road	A point 235 feet northeast of centerline of Menard Avenue to a point 195 feet northeast of the extended centerline of Mango Avenue	South
Theobald Road	A point 210 feet northeast of centerline of Menard Avenue to a point 235 feet northeast of the extended centerline of Mango Avenue	North

SECTION 5: The Director of Public Works and/or his designee is hereby authorized and directed to remove any conflicting signs and erect such signs as detailed in this Ordinance.

SECTION 6: This Ordinance shall be communicated to residents adjacent to the parking restrictions via a letter, which shall be received as evidence of the passage and legal publication of this Ordinance.

SECTION 7: This Ordinance shall be in full force and effect upon its approval and publication.

PASSED THIS 23<sup>rd</sup> DAY OF JANUARY 2017

Trustee Grear \_\_\_\_\_  
Trustee Minx \_\_\_\_\_  
Trustee Pietron \_\_\_\_\_  
Trustee Ramos \_\_\_\_\_  
Trustee Thill \_\_\_\_\_  
Trustee Witko \_\_\_\_\_

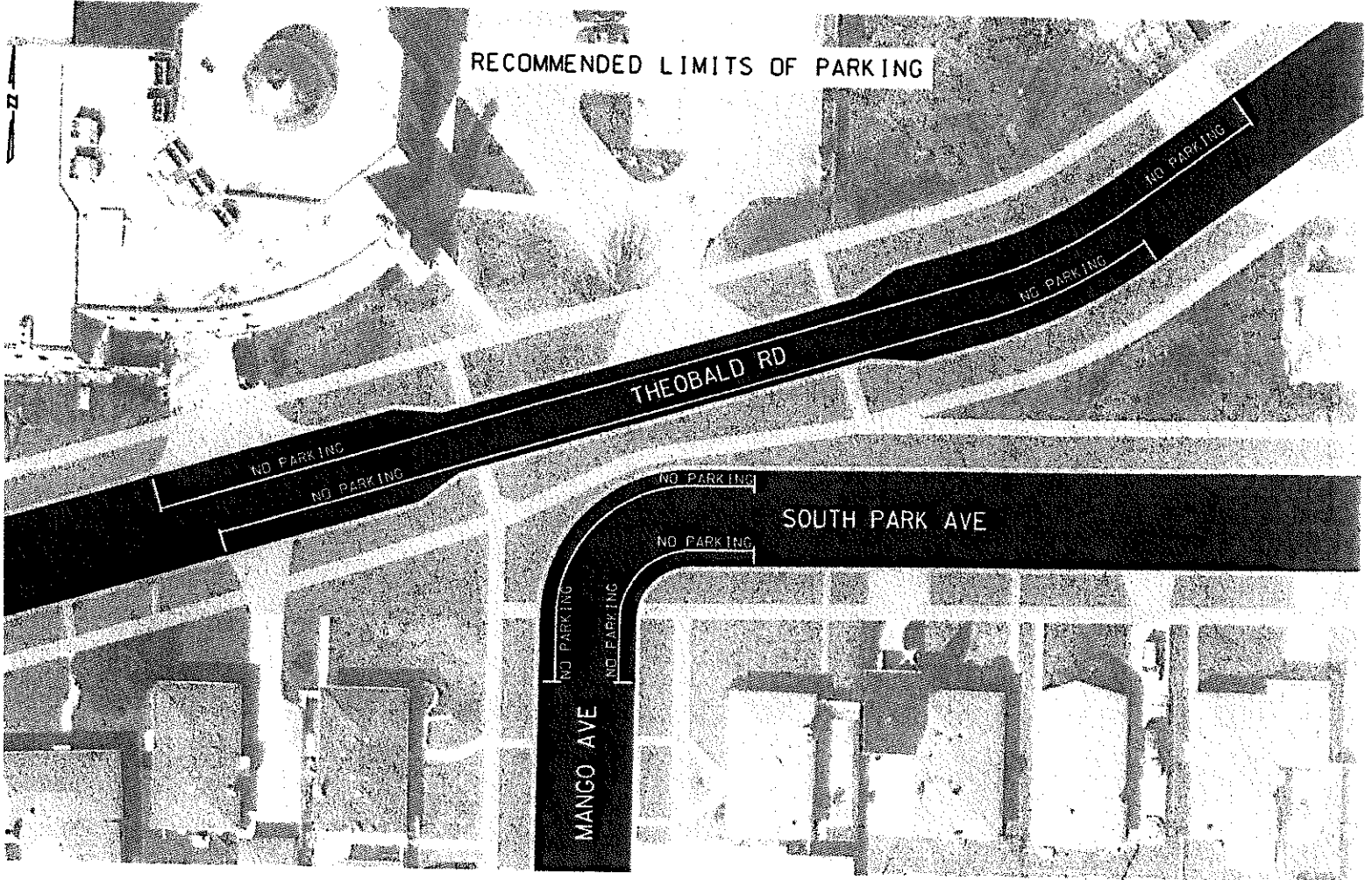
APPROVED BY ME THIS 23<sup>rd</sup> DAY OF JANUARY 2017

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

ATTESTED and FILED in my office  
This 24<sup>th</sup> DAY OF JANUARY 2017

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

EXHIBIT "A"

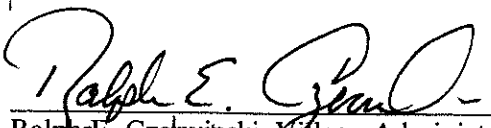


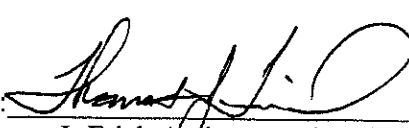
## Legislative Summary

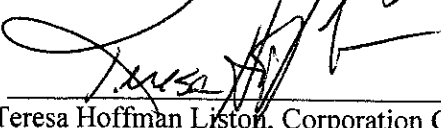
### **Resolution 17-05**

#### **AUTHORIZING AN AGREEMENT BETWEEN THE VILLAGE OF MORTON GROVE AND MATHER LIFEWAYS FOR THE USE OF THE CIVIC CENTER FOR SENIOR PROGRAMMING**

<b>Introduced:</b>	January 23, 2017
<b>Purpose:</b>	To authorize the Village of Morton Grove to enter into an agreement with Mather LifeWays, to provide and coordinate a wide array of senior programming for Morton Grove residents, especially for those over the age of 50, at the American Legion Memorial Civic Center.
<b>Background:</b>	<p>Mather LifeWays, a non-denominational, not-for-profit organization based in Evanston Illinois has contracted with the Village to operate programming for older residents at the American Legion Memorial Civic Center since 2014. In a survey recently conducted by Mather LifeWays, 92% of participants believed Mather LifeWays provided good services to older adults and 92% believed their expectations of the services offered at the Civic Center met or exceeded their expectations.</p> <p>This resolution will approve an additional one year non-exclusive license for Mather LifeWays to operate programs at the Civic Center. Participation in these programs is open to all adults, but the programs focus on activities and services desired by adults over the age of 50. Programs provided directly by Mather LifeWays include lunch programs, I-pad and computer classes, <i>Boost your Brain</i> and memory courses as well as <i>Telephone Topics</i> and other programs. Mather LifeWays will maintain the Civic Center's status as a Senior Health Insurance Program (SHIP) site and an AARP tax site. Mather LifeWays will also nurture/encourage/continue self-led programs; coordinate Civic Center programs provided by community partners and other organizations and conduct community outreach to fill programs and create lifelong learning opportunities, and intergenerational programming for Village residents.</p>
<b>Programs, Departs or Groups Affected</b>	Administration
<b>Fiscal Impact:</b>	Mather LifeWays will not charge the Village to provide these programs, but may charge participants a nominal fee. The Village will provide space, equipment, telephone, and internet services as well as janitorial services and basic set-up services to Mather LifeWays.
<b>Source of Funds:</b>	Not applicable
<b>Workload Impact:</b>	The oversight of Mather LifeWays will be performed by Village staff during the normal course of business.
<b>Admin Recommend:</b>	Approval as presented.
<b>First Reading:</b>	Not required.
<b>Special Consider or Requirements:</b>	None.

Respectfully submitted:   
Ralph E. Czerwinski, Village Administrator

Prepared by:   
Thomas J. Friel, Assistant to the Village Administrator

Reviewed by:   
Teresa Hoffman Liston, Corporation Counsel

## **RESOLUTION 17-05**

### **AUTHORIZING AN AGREEMENT BETWEEN THE VILLAGE OF MORTON GROVE AND MATHER LIFEWAYS FOR THE USE OF THE CIVIC CENTER FOR SENIOR PROGRAMMING**

WHEREAS, the Village of Morton Grove (Village), located in Cook County, Illinois, is a home rule unit of government under the provisions of Article 7 of the 1970 Constitution of the State of Illinois, can exercise any power and perform any function pertaining to its government affairs, including but not limited to the power to tax and incur debt; and

WHEREAS, the Village owns property located at 6140 Dempster Street, Morton Grove, Illinois, commonly known as the American Legion Memorial Civic Center hereinafter referred to as the "Civic Center"; and

WHEREAS, a portion of that building consists of space leased by and used exclusively by the American Legion Post #134; and

WHEREAS, the remaining space has been used for the provision of Village services, particularly senior and social services which provides various services and programs, along with the rental of certain portions of the building for varied functions; and

WHEREAS, since 2001 the Village has provided programs for older residents at the American Legion Memorial Civic Center; and

WHEREAS, in 2014 Mather LifeWays entered into an agreement with the Village to provide senior programming at the Civic Center, and in 2016 the Village entered into a one-year extension of that agreement with Mather LifeWays, a non-denominational not-for-profit organization, based in Evanston, Illinois to operate senior programming at the Civic Center; and

WHEREAS, Mather LifeWays has made a proposal for 2017 to the Village to continue to operate programs for all adults, but concentrating on activities and services desired by adults over the age of 50; and

WHEREAS, pursuant to this proposal, Mather LifeWays will be granted a one year non-exclusive license to use parts of the Civic Center in order to coordinate all programming, work with community partners as directed by the Village to bring their programs onsite, nurture/encourage/continue self-led programs, directly provide lunch programs, provide i-pad and computer classes, *Boost your Brain* and memory courses, maintain status as a Senior Health Insurance Program (SHIP) site, utilize current and generate new volunteers to support operations at the Civic Center, remain an AARP tax assistance site, provide *Telephone Topics*, create lifelong learning opportunities, and work



with other organizations to create intergenerational programming, conduct community outreach to fill programs and conduct other programs as agreed; and

WHEREAS, Village staff has negotiated an agreement with Mather LifeWays consistent with its proposal, a copy of which is attached hereto; and

WHEREAS, it is in the best interest of the Village to approve this Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: The Corporate Authorities do hereby incorporate the foregoing WHEREAS clauses into this Resolution as though fully set forth therein thereby making the findings as hereinabove set forth.

SECTION 2: The Village President is hereby authorized to execute, and the Village Clerk is hereby authorized to attest to an Agreement in substantial conformity with Exhibit "A" which is attached hereto to provide specialized programs and services at the Civic Center for a term beginning January 1, 2017 and running until December 31, 2017.

SECTION 3: The Village Administrator and/or his designee is hereby authorized to take all steps necessary to implement the aforementioned Agreement with Mather LifeWays.

SECTION 4: This Resolution shall be in full force and effect upon its passage and approval.

PASSED this 23<sup>rd</sup> day of January 2017.

Trustee Gear	_____
Trustee Minx	_____
Trustee Pietron	_____
Trustee Ramos	_____
Trustee Thill	_____
Trustee Witko	_____

APPROVED by me this 23<sup>rd</sup> day of January 2017.

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

APPROVED and FILED in my office  
this 23<sup>rd</sup> day of January 2017.

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

**EXHIBIT “A”**

**AGREEMENT BETWEEN  
THE VILLAGE OF MORTON GROVE  
AND  
MATHER LIFEWAYS COMMUNITY INITIATIVES, LLC**

This document constitutes an agreement, herein “the Agreement,” between the Village of Morton Grove (VMG) located at 6101 Capulina Avenue, Morton Grove, IL 60053 and Mather LifeWays Community Initiatives, LLC (MLCI), located at 1603 Orrington Avenue, Suite 1800, Evanston, IL 60201. VMG and MLCI shall be collectively referred to herein as the “Parties” or individually as a “Party.”

The Village of Morton Grove is a near north suburb of Chicago located 13 miles north of “The Loop,” 8 miles northeast of O’Hare Airport, and 6 miles west of Lake Michigan. Although primarily residential, the Village has significant commercial and industrial areas. Approximately 20% of the land in the community is owned by the Cook County Forest Preserve District and is set aside for open space and recreation. The Community is the home of award-winning parks and schools.

Based in Evanston, Illinois, Mather LifeWays is a unique, non-denominational not-for-profit organization founded more than 70 years ago. Dedicated to developing and implementing Ways to Age Well, it creates programs, places, and residences for today’s young-at-heart older adults. These include making neighborhoods better places for older adults to live, work, learn, contribute, and play; and identifying, implementing, and sharing best practices for wellness, and workplace programs.

The Village of Morton Grove aims to provide programs for its residents, including adults over the age of 50 years at the American Legion Memorial Civic Center. Mather LifeWays is one of the Village of Morton Grove’s partners who can provide such programs for the Village of Morton Grove’s residents including adults over the age of 50 years. In addition, Mather LifeWays is able to coordinate and facilitate programming at the American Legion Memorial Civic Center offered by other partners of the Village of Morton Grove such as the Morton Grove Park District and the Morton Grove Library.

Term: The term of this Agreement shall be from January 1, 2017 through December 31, 2017.

Nature of Services: MLCI, an affiliated entity of Mather LifeWays, will create and provide engaging experiences for the Village of Morton Grove’s residents over the age of 50 years at the American Legion Memorial Civic Center located at 6140 Dempster Street, Morton Grove, IL 60053. The Village of Morton Grove understands and accepts that MLCI’s programming will be offered to residents of other near north suburbs including the Village of Skokie and the Village of Niles. MLCI will coordinate programs with other organizations such as the Morton Grove Park District and the Morton Grove Library. All parties will work to create and maintain an environment of trust and support.

MLCI will:

- Provide monthly “MORE Than a Lunch” experiences
- Provide technology offerings such as, iPad and computer classes
- Nurture/encourage/support self-led programs
- Offer Boost your Brain and Memory Program. Enrollment of 10 individuals is required for Boost your Brain and Memory courses to occur.
- Based on demand, become a Senior Health Insurance Program (SHIP) site

- Collaborate with the Morton Grove Park District and the Morton Grove Library so they bring their programs onsite to the American Legion Memorial Civic Center
- Utilize current, and generate new volunteers to support operations at the Civic Center
- Support the Village of Morton Grove's initiatives for the Civic Center to become an AARP tax site
- Based on demand and interest from residents, provide Telephone Topics
- Create lifelong learning opportunities and provide classes on a variety of topics, including but not limited to the Arts, History, and Nature
- Collaborate with other organizations to create intergenerational programming
- Conduct community outreach to assist in generating attendance
- Provide other programs as mutually agreed upon
- Notify staff of the Village of Morton Grove of the need for replacement or repairs to the American Legion Memorial Civic Center building
- Keep the three office spaces provided by the Village of Morton Grove clean and safe

VMG will:

- Maintain the American Legion Memorial Civic Center building and ensure compliance with all building codes
- Make all repairs and conduct other necessary activities to put and keep the premises of the American Legion Memorial Civic Center building in a habitable condition
- Keep all common areas of the premises of the American Legion Memorial Civic Center building in safe condition. Common areas include but are not limited to the parking lot, entry ways, hallways, and community spaces.
- Maintain in good and safe working order all facilities, including but not limited to the electrical, plumbing, restrooms, heating, air conditioning of the American Legion Memorial Civic Center building
- Provide and maintain operable smoke detectors and ensure compliance with all laws and regulations pertaining to fire safety and other environmental hazards
- Maintain in good working order all existing equipment such as telephones, fax machine/copier, computers, etc.
- As agreed by the Parties from time-to-time, provide set-up/break-down assistance for specified programs. At the conclusion or within a reasonable period of time following the end of programs and events, ensure the space used for programs and events is clean and free of debris. Provide parking spaces.
- Provide secure storage space for program equipment (iPads, laptop computers, chafing dishes, coffee carafes, etc.)
- Provide three office spaces and three dedicated telephone lines for the exclusive use of MLCI during the term of this Agreement. Pay for the fees and expenses associated with the three telephone lines.
- Provide Wi-Fi connectivity through the Village's network
- Provide front desk coverage to greet people, take reservations, answer phones, and direct to programs and/or services
- Cooperate with MLCI to provide marketing support through existing media outlets (*Village Exchange*, website, e-blasts, etc.)
- Coordinate programs presented by the Village of Morton Grove's social worker, and other Village departments, such as the Police Department.

- Encourage Village Officials (elected or appointed) and staff to attend “MORE Than a Lunch” or “Music and MORE” experiences

MLCI and VMG jointly will:

- Maintain open lines of communication among all parties
- Host a one-time social event or open house to invite Village residents and create a welcoming environment. Marketing and press releases for said open house will be mutually agreed upon by both parties and approved by both parties prior to use and distribution.
- Establish mutually agreed upon goals for daily(50), monthly(233), and yearly(2800) attendance
- Establish mutually agreed upon hours of operation which are convenient for both Parties and conducive to providing the nature of services contemplated by this Agreement
- Conduct regular meetings jointly with all involved parties including other partners of the Village of Morton Grove, such as the Morton Grove Park District and the Morton Grove Library. Frequency of these meetings will be mutually agreed upon but will initially occur on a weekly basis in order to establish clear communication and foster team work.
- Engage in dialogue regarding the prospect of an ongoing relationship between MLW and VMG

No Creation of a Landlord Tenant Relationship: This Agreement does not create a landlord tenant relationship between VMG & MLCI, and except as specifically agreed in writing by the Parties, MLCI’s right to the use of the Civic Center shall be non-exclusive and shall be for the sole purpose of providing programs and services as contemplated by this Agreement.

Confidential Information and Confidentiality: VMG and MLCI agree the information disclosed by the respective parties during the duration of the Agreement is Confidential Information and proprietary to the respective parties. Confidential Information may include but is not limited to the content, design, and development of MLCI’s programs such as Boost your Brain and Memory and Telephone Topics. Except where disclosure is required by law including the Illinois Open Meetings Act, MLCI and VMG shall hold the same in confidence, shall not use the Confidential Information other than for the purposes of business related to this Agreement and will not disclose, publish, or otherwise reveal any of the Confidential Information to any other party whatsoever except with specific prior written authorization.

VMG and MLCI agree use of corporate and identifying marks, and “logo(s)” may not be used without the express written consent of the respective Party. Press releases and material referencing any partnership or support between VMG and MLCI will be approved by both parties prior to use. VMG and MLCI will agree in writing upon language to describe the general relationship and support.

Non-Disparagement: During the term of this Agreement and thereafter, both Parties mutually agree not to disparage either party. Disparage shall mean any negative statements, reviews, comments, or feedback, whether written, oral, or electronic about either Party its employees, agents and or board members.

Termination: This Agreement may be terminated by either Party without cause upon no less than sixty (60) calendar days’ notice, unless a lesser time is mutually agreed upon by both Parties in writing. Said notice shall be delivered by certified mail, return receipt requested; in person with proof of delivery; or, by facsimile machine to the addresses given below.

Disclaimer, Limits of Liability: Neither Party to this Agreement shall be liable for any negligent or wrongful acts, either of commission or omission, chargeable to the other, unless such liability is imposed by law. Both Parties shall indemnify and hold the other harmless for any claims, damages or losses including attorneys fees relating to the alleged negligent or wrongful acts or omissions of the other. This Agreement shall not be construed as seeking to either enlarge or diminish any obligation or duty owed by one Party against the other or against a third party.

Default, Disputes and Claims: All defaults by either Party regarding any obligation under this Agreement shall be remedied by the defaulting Party in a reasonable manner and time period. Disputes regarding such defaults will be resolved by non-binding voluntary arbitration according to terms mutually acceptable to both Parties. Should a resolution not be reached through arbitration, then the Party injured by the default must notify the defaulting Party in writing and bring legal proceeding within one year of discovering the problem causing the default or waive the right to complain. The non-prevailing Party shall, in addition to any other damages assessed, shall reimburse the prevailing Party for all its costs associated with the arbitration and other legal action taken including reasonable court costs and attorneys fees.

Insurance Requirements: MLCI Insurance: MLCI agrees to maintain professional and general liability insurance, or self-insurance, in the minimum amount of \$1,000,000 per claim or occurrence, \$3,000,000 aggregate, for its employees, agents, and servants (termed collectively MLW) with an insurance carrier rated A- or better by AM Best Company. MLCI shall furnish VMG with a certificate of insurance or other written document reasonably satisfactory to VMG as evidence of its insurance coverage within thirty (30) days of the signing of this Agreement, and at least annually thereafter.

VMG Insurance: VMG is self-insured through the Intergovernmental Risk Management Association (IRMA) which maintains, in the minimum amount of \$1,000,000 per claim or occurrence, \$3,000,000 aggregate, for its employees, agents, and servants (termed collectively VMG). VMG shall furnish MLW with a certificate of insurance or other written document reasonably satisfactory to MLW as evidence of its insurance coverage within thirty (30) days of the signing of this Agreement, and at least annually thereafter.

Force Majeure: Except for obligations to pay money where the other Party has performed the service to which payment relates, neither Party shall be responsible for failure to fulfill its obligations under this Agreement due to causes beyond its reasonable control, including but not limited to failure by subcontractors or suppliers to furnish equipment, software, parts or labor; war, sabotage, insurrections, riots, civil disobedience and the like, acts of governments and agencies thereof, labor disputes, accidents, fires or acts of God. So long as any such delay or default continues, the Party affected by the conditions beyond its control shall keep the other Party at all times fully informed concerning the matters causing the delay or default and the prospects of their ending. In such event, the delayed Party shall perform its obligations hereunder within a reasonable time after the cause of the failure has been remedied, and the other Party shall be obligated to accept such delayed performance.

Assignment: This Agreement may not be assigned, in whole or in part, by either Party without the prior written approval of the other Party.

Governing Law: This Agreement is to be governed and construed in accordance with the laws of the State of Illinois. For venue purposes, it is deemed that all obligations of the Parties created hereunder are performed in the State of Illinois.

Acceptance: This Agreement shall not be binding until signed by both Parties and approved by the Board of Trustees of the Village of Morton Grove. The persons signing this Agreement represent and warrant all articles including certifications are true and correct and that they have authority to bind their respective Parties.

By:

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Daniel P. DiMaria, Village President

Date

Village of Morton Grove

6101 Capulina Ave., Morton Grove, IL 60053

Phone: 847.965.4100

Fax: 847.965.4162

ddimaria@mortongroveil.org

*Motion for Approval of this Agreement was made at the January 23, 2017, Village Board Meeting of the Village of Morton Grove*

*Final Approval was given by the Village Board of Trustees of Village of Morton Grove on January 23, 2017.*

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Kate Paz, Director Program without Walls, Community Initiatives

Date

Mather LifeWays

1603 Orrington Avenue, Ste 1800, Evanston, IL 60201

Phone: 847.663.3073

Fax: 847.965.3075

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