

RESOLUTION NO. 2007-11-026R

**A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT
REGARDING WATER RATE INCREASE INTERVENTION**

WHEREAS, reliable and low cost water service is essential for the economic health of the local regional community; and

WHEREAS, ILLINOIS-AMERICAN WATER COMPANY has proposed a general increase in rates of nearly sixty percent (60%) as reflected in Illinois Commerce Commission Docket No. 07-0507; and

WHEREAS, the parties and their individual, commercial, and industrial residents purchase water from the above-named business; and

WHEREAS, the parties desire to agree to share the costs of intervening in this case; and

WHEREAS, Section 10 of Article VII of the 1970 Illinois Constitution and "The Intergovernmental Cooperation Act" (5 ILCS 220/, et seq.) provides for intergovernmental cooperation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That City Council hereby authorizes the intervention of City of Urbana in Docket No. 07-0507, currently pending before the Illinois Commerce Commission.

Section 2. That the Intergovernmental Agreement entitled "Intergovernmental Agreement Regarding the Illinois-American

Water Company Rate Increase Case" is hereby approved and the Mayor is authorized to execute the Agreement.

PASSED by the City Council this _____ day of _____, 2007.

AYES:

NAYES:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2007.

Laurel Lunt Prussing, Mayor

**INTERGOVERNMENTAL AGREEMENT REGARDING
ILLINOIS AMERICAN WATER COMPANY RATE INCREASE CASE**

THIS AGREEMENT entered into this ____ day of _____, 2007, by and among units of local government in Champaign County and Douglas County, including the CITY OF CHAMPAIGN, ILLINOIS (“Champaign”), the CITY OF URBANA, ILLINOIS (“URBANA”), CHAMPAIGN COUNTY (“COUNTY”), and others (hereinafter "the Parties").

WHEREAS, reliable and low cost water service is essential for the economic health of the local and regional community; and

WHEREAS, ILLINOIS-AMERICAN WATER COMPANY have proposed a general increase in rates of nearly 60% as reflected in Illinois Commerce Commission Docket No. 07-0507; and

WHEREAS, the parties and their individual, commercial, and industrial residents purchase water from the above-named business; and

WHEREAS, the parties desire to agree to share the costs of intervening in this case; and

WHEREAS, Section 10 of Article VII of the 1970 Illinois Constitution and “The Intergovernmental Cooperation Act” (5 ILCS 220/, et seq.) provides for intergovernmental cooperation.

NOW, THEREFORE, the Parties agree as follows:

Section 1. Parties; Signatory; Designated Representative.

A. All parties whose supervisory bodies have approved this Agreement and have evidenced such approval by sending an executed Agreement to the Lead Agency shall be designated as "signatory parties".

B. The Agreement shall be effective as to the party when the Agreement is received by the designated representative of the Lead Agency, who shall acknowledge the receipt in writing or electronically.

C. Each signatory party shall, simultaneously with the execution of the Agreement, provide the name (and other information) of a representative to receive reports and act on behalf of the party for decisions required under the Agreement.

Section 2. Parties. Governmental agencies may become parties to this Agreement by requesting to do so if all other then existing signatory parties consent. Such consent shall be evidenced by the written approval of the parties, which may be evidenced electronically. Such additional party shall contribute financially to these undertakings in a roughly proportionate amount according to the number of customers receiving water service of the parties. The contribution shall be based on total costs, including costs incurred before the approval of this Agreement by an existing signatory party.

Section 3. Lead Agency. The City of Champaign shall be the Lead Agency on behalf of the parties. All signatory parties shall be named as intervenors. The Lead Agency shall be authorized to take such steps as are necessary to intervene into the case in Illinois Commerce Commission Docket No. 07-0507 on behalf of all the parties to this Agreement. The Lead Agency on behalf of the parties shall contract for services desirable or necessary, to facilitate the intervention including without limitation, financial, legal, and engineering consultants. The Lead Agency shall provide guidance to the consultant; however, shall consult with other parties as set forth in Section 4. If the parties agree in advance, however, any and all such contracts may be entered into by another of the parties and billing for the costs of such contracts shall be in accordance with Section 6. Such contracts shall be entered into as expeditiously as possible.

Section 4. Guidance and Communication.

A. Representatives of Champaign, Urbana, and the County will constitute an executive committee that will provide guidance to hired consultants on major issues in the intervention. Upon request of any party, such party may attend and be heard at any meeting and participate in the decision-making process.

B. The Lead Agency shall provide or cause hired consultants to provide regular updates of the efforts under this Agreement to the parties. Such updates shall be provided in writing or electronically, targeted for monthly distribution.

Section 5. Cost sharing. The parties agree to share all costs of hiring attorneys and experts pursuant to Section 2, such costs to be split among the parties as set forth in Exhibit "A". If an additional party is added to this Agreement, the total costs shall be shared with the then existing signatory parties and all additional parties on the basis set forth in Exhibit "A". Total cost of the intervention action and research shall not exceed SIXTY-SIX THOUSAND DOLLARS (\$66,000.00), without further agreement of the parties.

If additional funds are required above SIXTY-SIX THOUSAND DOLLARS (\$66,000.00), each party will be contacted by the Lead Agency with a proposed amendment to this Agreement, stating the required additional funds and each party will have an opportunity to continue with the project pursuant to the Agreement as amended. If a party chooses not to continue its participation due to the need for additional funds, such party may cease to participate but will be responsible for its proportionate share of costs to date.

No party to this Agreement will seek reimbursement for its own staff time or in house resources provided to support this project.

Section 6. Payment. Payment for attorney and expert services rendered under this Agreement shall be due to the Lead Agency within twenty-eight (28) days following receipt by each party of a statement for the services performed. Such statement shall, in general, describe the services rendered. Billing in this manner will be performed periodically, but in no event more often than once per month.

Section 7. Completion and Termination.

A. This Agreement will continue in full force until the decision of the Illinois Commerce Commission in the rate case cited above. If the rate case is appealed to the courts after the final decision of the Illinois Commerce Commission, no party shall be required to continue with the case or to contribute to such costs unless a supplemental amendment to this Agreement is approved by the party. Provided however a party may terminate its participation earlier as provided;

B. Any signatory to this Agreement may terminate this Agreement by giving no less than fourteen (14) days' written notice of the intent to terminate this Agreement. Notice shall be considered given when deposited in the United States mail, postage prepaid, and addressed as provided in Section 6 below;

C. In the event of termination of this Agreement by any participant prior to completion and final payment by that participant, the participant will pay the Lead Agency its share of costs for all services performed up to that party's total proportionate share of the project costs which were actually and satisfactorily rendered up to date of termination.

D. In the event any of the provisions of this Agreement are violated by any signatory, the aggrieved party may serve written notice upon the other the intention to terminate such Agreement, such notice to contain the reasons for the termination. Unless within five (5)

calendar days after the serving of such notice, the violation shall cease, and satisfactory agreements for correction be made, the contract shall expire five (5) calendar days after such service. In addition to any other remedies available at law, the defaulting party shall be liable to the other parties for any damages sustained by them based on the default. The terminating party shall pay the Lead Agency its proportionate share of the project costs up to the point of termination.

Section 8. Notice. Notice given hereunder shall be given to:

Champaign at:

City Manager
City of Champaign
102 North Neil Street
Champaign, IL 61820

City Attorney
City of Champaign
102 North Neil Street
Champaign, IL 61820

Urbana at:

Mayor
City of Urbana
400 South Vine Street
Urbana, IL 61801

City Attorney
City of Urbana
400 South Vine Street
Urbana, IL 61801

County at:

County Board Chair
Champaign County
1776 East Washington
Urbana, IL 61801

State's Attorney
Champaign County Courthouse
101 East Main Street
Urbana, IL 61801

IN WITNESS WHEREOF, the Champaign, Urbana, and the County have executed this Agreement.

CITY OF CHAMPAIGN, ILLINOIS

By: _____
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

DATE: _____

CITY OF URBANA, ILLINOIS

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

DATE: _____

Designated Representative:

Dennis Schmidt
Public Works Director
City of Champaign
702 Edgebrook Drive
Champaign, IL 61820
(217) 403-4700
(217) 403-4755 (Fax)
SCHMIDDJ@ci.champaign.il.us

Designated Representative:

(Name)

(Address)

Phone:

Fax:

E-Mail:

COUNTY OF CHAMPAIGN, ILLINOIS

Designated Representative:

By: _____
County Board Chair

(Name)

ATTEST:

County Clerk

(Address)

APPROVED AS TO FORM:

State's Attorney

Phone: _____

Fax: _____

E-Mail: _____

DATE: _____

ADDITIONAL PARTIES

MUNICIPALITY/PUBLIC ENTITY

(NAME OF ENTITY)

By: _____
_____ (Print Name)

Attest: _____

APPROVED AS TO FORM:

DATE: _____

(NAME OF ENTITY)

By: _____
_____ (Print Name)

Attest: _____

APPROVED AS TO FORM:

DATE: _____

(NAME OF ENTITY)

By: _____
_____ (Print Name)

Attest: _____

APPROVED AS TO FORM:

DATE: _____

Designated Representative:

(Name)

(Address)

Phone: _____

Fax: _____

E-Mail: _____

Designated Representative:

(Name)

(Address)

Phone: _____

Fax: _____

E-Mail: _____

Designated Representative:

(Name)

(Address)

Phone: _____

Fax: _____

E-Mail: _____

(NAME OF ENTITY)

By: _____
_____ (Print Name)

Attest: _____

APPROVED AS TO FORM:

DATE: _____

(NAME OF ENTITY)

By: _____
_____ (Print Name)

Attest: _____

APPROVED AS TO FORM:

DATE: _____

(NAME OF ENTITY)

By: _____
_____ (Print Name)

Attest: _____

APPROVED AS TO FORM:

DATE: _____

Designated Representative:

(Name)

(Address)

Phone: _____

Fax: _____

E-Mail: _____

Designated Representative:

(Name)

(Address)

Phone: _____

Fax: _____

E-Mail: _____

Designated Representative:

(Name)

(Address)

Phone: _____

Fax: _____

E-Mail: _____