

**INTERGOVERNMENTAL AGREEMENT
FOR THE SHARING OF ENGINEERING STUDY COSTS.**

WHEREAS, the Central Lake County Joint Action Water Agency (“Agency”) owns and operates a water system, which receive Lake Michigan Water and distributes it to its Members; and

WHEREAS, the Agency may have surplus capacity in its current system or in its expanded system, which may allow it to increase the membership of the Agency to one or more municipalities or areas served by the Lake County system; and

WHEREAS, in order to determine the feasibility and potential cost of serving other parties it is necessary to expend substantial funds for engineering studies; and

WHEREAS, some municipalities, which do not currently receive water from the Agency, or the Lake County System, (“Potential Members”), are interested in learning whether it is feasible to provide Agency water to them and they are willing to share in the cost of the engineering studies; and

WHEREAS, all parties recognize that any decision regarding new membership in the Agency is solely and exclusively a decision to be made by the Board of the Agency; and

WHEREAS, understanding that presence of absolute discretion, the Potential Members are willing to agree to share in the cost of engineering studies;

NOW, THEREFORE, IT IS AGREED BETWEEN THE AGENCY AND SUCH POTENTIAL MEMBERS as are listed on Exhibit “A: to this Agreement and who execute this Agreement on or before September 24, 2011, as follows:

1. The parties to this Agreement consent to the Agency entering into a contract with Camp Dresser & Mckee Inc. (the “Engineering Firm”), to conduct a study of the feasibility, manner of

accomplishment and estimated cost of the Agency providing water to the Potential Members that become a party to this Agreement.

2. The total cost to be paid to the Engineering firm shall be \$60,200, except that the Agency and/or any Potential Member or Members may agree to an increase in those costs, payable only by themselves for any additional or special engineering study required by them.

2. The cost of the Engineering study, as specified above, shall be paid 25% by the Agency and 75% by the Potential Members that execute this Agreement in proportion to their estimated share of the water demand among the Potential Members executing this Agreement. Payment shall be made within 45 days after billing, and the Agency may require any Potential Member to pay as a deposit up to 25% of the estimated engineering charges applicable to that Potential Member. The Agency, by a vote of its Board of Directors and in its absolute discretion, may accept Potential Members as parties to this Agreement, which are shown on Exhibit "A," either before or after the date set forth earlier in this Agreement.

3. By executing this Agreement, all Potential Members fully acknowledge and accept that any determination as to whether a Potential Member will be accepted as Member of the Agency or shall otherwise receive water from the Agency is initially exclusively and entirely within the absolute discretion of the Board of Directors of the Agency.

4. This Agreement provides no third-party rights and the Agency may cancel this Agreement at any time. If the Agency were to do so, it would be obligated to pay 50% of the costs of engineering services incurred up to the date of its cancellation.

5. This Agreement shall be in full force and effect upon its execution by one or more Potential Members and upon the execution of the Chairman of the Agency after this Agreement shall have been approved by the Board of Directors. This Agreement may be executed in multiple counter-parts, all of which together shall constitute a single Agreement.

DATED: _____

CENTRAL LAKE COUNTY JOINT
ACTION WATER AGENCY

POTENTIAL MEMBER

By: _____

By: _____
Potential Member

(seal)

(seal)

Attest: _____

Attest: _____

EXHIBIT A

POTENTIAL MEMBERS

Community	Proportional Share of Costs	2010 Water Demand MGD
County of Lake (Grandwood Park & Fox Lake Hills)	12%	0.623
Lake Villa	13%	0.680
Lindenhurst	22%	1.190
Volo	4%	0.210
Wauconda	24%	1.290
Total	75%	

Cost Sharing

Entity	Proportional Share	Proportional Costs
CLCJAWA	25%	\$15,050
County of Lake	12%	\$7,224
Lake Villa	13%	\$7,826
Lindenhurst	22%	\$13,244
Volo	4%	\$2,408
Wauconda	24%	\$14,448
	100%	\$60,200