

RESOLUTION NO. 12-09

**A RESOLUTION EXPRESSING THE INTENT
OF THE ADOPTING ENTITIES TO WORK
TOWARDS A MEMBERSHIP EXPANSION OF THE
CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY.**

WHEREAS, the Central Lake County Joint Action Water Agency (“Agency”) is an intergovernmental entity created as a result of constitutional and statutory language allowing governmental bodies to seek to jointly draw water from Lake Michigan and distribute potable water to its Members; and

WHEREAS, the Agency has carried out this function for decades, and has constructed a modern and efficient water distribution system; and

WHEREAS, after extensive studies, the Agency has concluded that it has the ability to produce water in capacities which are in addition to those reasonably required now, and in the future, by its current Members; and

WHEREAS, the efficiency of the Agency and the cost charged to its Members and to ultimate water consumers, would be reduced if the Agency is able to admit additional Members or to otherwise sell excess water capacity; and

WHEREAS, a number of entities, including the municipalities of Lindenhurst, Lake Villa, Wauconda, Volo and additional areas served by the Lake County System (“Prospective Members”) could be served within the capacity of the Agency system; and

WHEREAS, in order for the Prospective Members to be admitted to membership in the Agency, additional discussions need to ensue, based upon a general set of agreed principles; and

WHEREAS, the agreed principles, currently being considered by the parties, (“Current Principles”) is attached to this Resolution as Exhibit “A;” and

WHEREAS, the organizational documents of the Agency allows new Members to be admitted under such terms and conditions as are agreed to; and

WHEREAS, the Agency and the Prospective Members desire to adopt the same or similar resolutions agreeing to enter into further discussions under the Current Principles; and

WHEREAS by the passage of this Resolution, the entity adopting it pledges to engage in good-faith discussions in seeking to come to an agreement under which the Prospective Members shall be admitted to membership in the Agency, but each entity adopting the Resolution retains its right to come to a final, independent conclusion regarding membership expansion;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY, LAKE COUNTY, ILLINOIS, as follows:

SECTION 1: The Corporate Authorities of the CENTRAL LAKE COUNTY JOINT ACTION WATER AGENCY agree, by adopting this Resolution to engage in good-faith discussions regarding the expansion of the Agency based upon the Current Principles appended to this Resolution as Exhibit "A."

SECTION 2: The parties engaging in these discussions recognize that additional engineering, financial, economic or legal considerations may require the modification or expansion of the Current Principles and each party understands that it possesses a free and independent right to make a final determination regarding the expansion of the Agency and the admission of new Members, or, in the case of Lake County, the expansion of areas being served.

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

PASSED this 24th day of October, 2012.

AYES: Phyll Taylor, Kovarik, Petchinger, Carey, Weppler,
Stetz, Hill, Meeks

NAYS: None

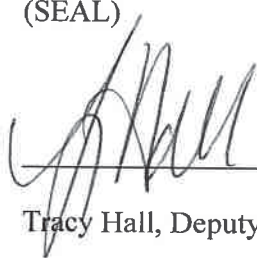
ABSENT: Kessler



Richard H. Hill, Chariman

ATTEST:

(SEAL)



Tracy Hall, Deputy Secretary

EXHIBIT A

Central Lake County Joint Action Water Agency Membership Expansion Principles (Guidelines)

Governance:

1. Each community will come in as a full member with all rights and privileges of existing members.
 - a. This will result in four new members (Lake Villa, Lindenhurst, Volo and Wauconda).
 - b. As Lake County is already a member, the areas of Grandwood Park and Fox Lake Hills will be added to their service area.
2. To the fullest extent possible, the existing water and sales contract language will be used with updated exhibits.

Financial:

1. Each community will pay \$2,800.00 per housing unit (2010 Census Data) in connection fees.
2. Each community is responsible to finance the necessary capital improvements, to our specifications, to connect their system to the Agency's system.
3. If necessary, the Agency is willing to stage the payments of the connections fees. Fees for both Groups as follows:
 - a. \$11,500,000 (23%) prior to water service.
 - b. \$19,250,00 (39%) in the year 2021 or when the Agency's peak demand hits 43.7 mgd, whichever occurs first.
 - c. \$19,216,000 (38%) in the year 2032 or when the Agency's peak demand hits 47.5 mgd, whichever occurs first.
4. The Agency is willing to finance the payments of the connection fees as a revenue bond to be paid by the new members on their water rate.
5. Each community will be added to the Agency's property tax district. GO bonds will be retired in 2019.

Miscellaneous Items:

1. The Agency will only be responsible to provide projected maximum day water demand based on the water demand schedules for each community with a peaking factor of 1.65.
2. If the Agency finances connection fees, upon water service the new members will deposit monies into a reconciliation fund, in an amount to be determined later, to ensure the Agency's existing members do not subsidize the debt service payments required of the new members.

EXHIBIT A

3. Each new member as part of the infrastructure improvements required to connect to the Agency's existing infrastructure will install, at key locations (to be determined), future connection points for possible looping or interconnections. Example: a t-connection with a valve for future access.
4. Each new member as part of the infrastructure improvements required to connect to the Agency's existing transmission system will upsize the water mains one size. Each community will be eligible for a recapture from any other new members in the future.

Connection Fee Revenue:

Breakdown by North Group.

Community	2010 Population	2010 Total Housing Units	Connection Fee	Fee Revenue
Fox Lake Hills	2,592	1,038	\$2,800.00	\$2,906,400
Grandwood Park	5,202	1,830	\$2,800.00	\$5,124,000
Lake Villa	8,741	3,179	\$2,800.00	\$8,901,200
Lindenhurst	14,462	5,215	\$2,800.00	\$14,602,000
				\$31,533,600

Breakdown by West Group.

Community	2010 Population	2010 Total Housing Units	Connection Fee	Fee Revenue
Volo	2,929	1,220	\$2,800.00	\$3,416,000
Wauconda	13,603	5,363	\$2,800.00	\$15,016,400
				\$18,432,400

Source: <http://quickfacts.census.gov/qfd/states/17/17097.html>

<u>Infrastructure Costs North Group:</u>	<u>Infrastructure Costs West Group:</u>
+1 Standard Pipe Size: North Group East = \$19,000,000 North Group West = \$21,300,000 Total = \$40,300,000	+1 Standard Pipe Size: \$24,100,000 (Volo & Wauconda)

County of Lake Considerations:

EXHIBIT A

1. That the County have the right to extend CLCJAWA service to any unincorporated property contiguous to the Grandwood Park and Fox Lake Hills service areas without requesting or obtaining permission from the CLCJAWA Board of Directors and without the requirement to pay connection fees for the contiguous properties with certain limitations. Properties developed prior to 2010 would be required to pay CLCJAWA connection fees. Further, contiguous properties within an incorporated non-member Municipality would be required to petition CLCJAWA for service through the County. The projected expansion of the contiguous service areas would also be limited to 110% of projected water demand for each service area. That is, for Grandwood Park the projected flow limit will be 0.495 MGD ((0.45 MGD (allocation) + 0.045 MGD (10% expansion)). For Fox Lake Hills the projected flow limit will be 0.209 MGD ((0.19 (allocation) + 0.019 MGD (10% expansion)).

2. Existing Lake County water customers on ground water supply would be given first right-of-refusal should the Agency determine it can accommodate additional customers in the future. Such areas would be subject to connection charges.