

Agenda Item #

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DISTRIBUTION

County Board
County Clerk
County Administrator
Public Works

STATE OF ILLINOIS)

) SS

~~CERTIFIED COPY~~ TRUE COPY OF
RECORDS OF THE LAKE COUNTY
BOARD MEETING OF

COUNTY BOARD, LAKE COUNTY, ILLINOIS

NOV 9 2004 APPROVED

CERTIFICATION NOT VALID UNLESS SEAL
OF LAKE COUNTY, ILLINOIS IS AFFIXED

ADJOURNED REGULAR SEPTEMBER A.D., 2004 SESSION

NOVEMBER 9, A.D., 2004

Willard R. Helander County Clerk

MADAM CHAIR AND MEMBERS OF THE COUNTY BOARD:

Your Public Works and Transportation Committee and Financial and Administrative Committee present herewith a Joint Resolution authorizing execution of an Agreement for Sewage Disposal with the Lakes Region Sanitary District and the Village of Volo; and request its adoption.

Respectfully submitted,

Aye Nay

Aye Nay

CHAIR

CHAIR

VICE CHAIR

VICE CHAIR

PUBLIC WORKS AND TRANSPORTATION
COMMITTEE

FINANCIAL AND ADMINISTRATIVE
COMMITTEE

VOICE VOTE

RESOLUTION

WHEREAS, the County of Lake (County) and the Lakes Region Sanitary District (LRSD) entered into an Agreement for Sewage Disposal with the Lakes Region Sanitary District dated March 8, 1977, which agreement has been amended in 1999 and 2002; and

WHEREAS, the Village of Volo has developed a Village of Volo 2030 Comprehensive Plan that establishes land use and development goals for property currently within the Village and other territory appropriate for future annexation and development within the Village; and

WHEREAS, in order to serve the Village's demand as identified in their Comprehensive Plan, the LRSD plans to provide collection of sanitary sewage to current and future customers within the Village; and

WHEREAS, these properties are also within the boundaries of the Lakes Region Sanitary District; and

WHEREAS, the Volo Service Subarea is defined as those areas within the corporate limits of the LRSD and the corporate limits of the Village of Volo, including any area hereafter annexed to the LRSD and the Village of Volo; and

WHEREAS, the LRSD will collect sewage from customers within the Volo Service Subarea and deliver sewage to the County's sanitary sewer system in the Northwest Regional area, subject to the terms of the LRSD-County Agreement; and

WHEREAS, execution of an Agreement for Sewage Disposal must be authorized by Resolution of this County Board.

NOW, THEREFORE, BE IT RESOLVED, by this County Board of Lake County, Illinois, that the Chairman of the County Board and the Clerk of said County be and they are hereby authorized and directed to execute an Agreement for Sewage Disposal with the Lakes Region Sanitary District and the Village of Volo in substantially the attached form.

DATED at WAUKEGAN, LAKE COUNTY, ILLINOIS, on this 9th day of November
A.D., 2004.

AGREEMENT FOR SEWAGE DISPOSAL
Entered Into By and Among
The County of Lake, Illinois,
The Lakes Region Sanitary District, Illinois,
And
The Village of Volo, Illinois

As of
November 16, 2004

AGREEMENT FOR SEWAGE DISPOSAL

THIS AGREEMENT made and executed this 16 day of November, 2004, between the LAKES REGION SANITARY DISTRICT, an Illinois municipal corporation located in Lake County, Illinois, hereinafter referred to as the "**District**", the VILLAGE OF VOLO, an Illinois municipal corporation located in Lake County, Illinois, hereinafter referred to as the "**Village**," and the COUNTY OF LAKE, Illinois, hereinafter referred to as the "**County**,"

RECITALS:

1. The public health, welfare, and safety of the residents of the District, the Village, and the County require the development of coordinated and adequate systems for the collection and treatment of sewage so as to eliminate pollution of lakes and streams.

2. The County has established a Department of Public Works pursuant to an Act of the General Assembly of the State of Illinois entitled "An Act in Relation to Water Supply, Drainage, Sewage, Pollution, and Flood Control in Certain Counties", as amended, for the purpose of performing the function of sewage disposal and has prepared a comprehensive plan for the disposal of sewage from areas of the County, including portions of the Northwest Lake Facilities Planning Area established pursuant to the Illinois Water Quality Management Plan, and has prepared plans and programs for providing such service and the related facilities.

3. Pursuant to such plans and programs, the County has constructed, owns, and operates a system of interceptor sanitary sewers in the aforementioned facilities planning area to provide sanitary sewer service. The County has also entered into an agreement with the Village of Fox Lake ("**Fox Lake**") whereby Fox Lake will perform the function of sewage treatment for the County in the Northwest Regional Area subject to certain fees and conditions as outlined in the agreement between Fox Lake and the County, which agreement and any amendments thereto are, by this reference, incorporated herein and made a part hereof as if fully set forth.

4. The District has also developed a system of sanitary sewers for the collection of sewage from customers within certain territory over which it has jurisdiction. The District and the County have previously entered into an "Agreement for Sewage Disposal," dated 8 March 1977, as amended from time-to-time (the "**Prior Sewage Agreement**"), pursuant to which the District's sewer system is currently delivering sewage from District customers to the County's interceptor for the Northwest Regional Area.

5. Because the Prior Sewage Agreement is scheduled to expire within three years, and the District seeks to develop long-range plans for providing sewerage services for future development and redevelopment of its territory, the District and the County have entered into a "Restated and Amended Agreement for Sewage Disposal," dated November 16, 2004 (the "**LRSD-County Agreement**").

6. The Village has prepared a "Village of Volo 2030 Comprehensive Plan, Adopted by the Village Board on August 26, 2003" (the "**Village Plan**") that establishes land use and development goals for properties currently included within the Village and other territory that

could be appropriate for future annexation and development within the Village. Pursuant to the Village Plan, the Village has identified the anticipated demand for sanitary sewage services for properties to be developed within the Village. Pursuant to the Village Plan, the long-term demand for sanitary sewer service from the Village's customers in the Volo Service Subarea (as hereinafter defined) is not expected to exceed 21,900 P.E., and it is anticipated that 50% of that demand will be from nonresidential customers in the Village.

7. In order to serve the Village's demand as identified in the Village Plan and at the request of the Village, the District has developed plans to provide collection of sanitary sewage to current and future customers within the Village.

8. In response to the request of the District and the Village, the County has agreed to provide sanitary sewer service to the District in connection with its future customers located within the Village. To that end, the County, the Village, and the District desire to enter this Agreement for sewage disposal that will permit the District, subject to specified terms, conditions, and limitations, to collect sewage from customers within the Volo Service Subarea and to deliver sewage to the County's sanitary sewer system in the Northwest Regional Area, subject to the terms, conditions, and limitations of the LRSD-County Agreement.

AGREEMENT

In consideration of the mutual covenants and agreements contained herein, the County and the District do hereby agree as follows:

ARTICLE I

RECITALS

The foregoing recitals are, by this reference, fully incorporated into and made a part of this Agreement.

ARTICLE II

DEFINITIONS

2.1 **In General.** The definitions set forth in the LRSD-County Agreement are hereby incorporated into and made a part of this Agreement.

2.2 **Additional Definitions.** In addition to the definitions in the LRSD-County Agreement, the following definitions shall apply to the following terms when used in this Agreement unless the context otherwise requires:

A. **District South Sewage Collection System.**

All Sanitary Sewers, lift stations, connection facilities, and related facilities, associated lands, and easements, presently existing or to be constructed in the future, that are owned, operated, or maintained by the District and are necessary to Collect Sewage from individual Customers located within the Volo Service Subarea and to deliver such Sewage to the County

Interceptors in accordance with the County Sewer Ordinances, all other applicable laws, ordinances, and regulations, and sound engineering practices.

B. Existing Development Flow.

The amount of sewage from residential and nonresidential development existing within the Volo Service Subarea prior to the execution of this Agreement, which development has previously received a certificate of occupancy (or is in fact occupied), and is served by private sewage disposal systems as of the Effective Date of this Agreement. Such existing development is identified in the Village Plan.

C. Nonresidential Sewage Flow.

The amount of sewage from all Village Nonresidential Customers as may exist from time-to-time, which flow shall be quantified at the time of permitting based on standards established from time-to-time by the Illinois Environmental Protection Agency (the "*IEPA*") or, if the IEPA no longer establishes any such standards, in accordance with the generally applicable terms set forth in the County Sewer Ordinances; provided, however, that, for purposes of this Agreement, in no event shall the P.E. for any Village Nonresidential Customer be quantified at an amount of less than 15 P.E. per acre or portion thereof developed for a Village Nonresidential Customer.

D. Residential Sewage Flow.

The amount of sewage from all Village Residential Customers as may exist from time-to-time, which flow shall be quantified at the time of permitting based on standards established from time-to-time by the Illinois Environmental Protection Agency (the "*IEPA*") or, if the IEPA no longer establishes any such standards, in accordance with the generally applicable terms set forth in the County Sewer Ordinances.

E. Total Sewage Flow.

The sum of the Nonresidential Sewage Flow and the Residential Sewage Flow.

F. Village Customer.

Any dwelling, business, office, industrial, institutional, or other building, facility, or entity located in the Volo Service Subarea and within the corporate limits of the Village that discharges Sewage, either directly or indirectly, into the County Sewerage System.

G. Village Nonresidential Customer.

A Village Customer that is not a Village Residential Customer.

H. Village Residential Customer.

A Village Customer for which the premises receiving Sanitary Sewer Service are used for a dwelling.

I. Village Agreement Effective Date.

The date on which this Agreement shall become effective pursuant to Subsection 10.8 of this Agreement.

J. **Volo Service Subarea.**

Those areas located within the area depicted on Exhibit A to this Agreement that are within the corporate limits of the District and the corporate limits of the Village of Volo, Illinois from time-to-time, including any territory hereafter annexed to the District and the Village of Volo, Illinois.

ARTICLE III

SANITARY SEWER SERVICE

3.1 **County Obligations.**

The County shall, subject to the conditions precedent and limitations set forth in Article V of this Agreement, and to the other terms and conditions of this Agreement and the LRSD-County Agreement, use its best efforts to operate and maintain the County Sewerage System in accordance with its customary practices and sound engineering practices. Use of the County Sewerage System shall be governed by the County Sewer Ordinances that are generally applicable to all Customers and by this Agreement.

3.2 **District Obligations.**

The District agrees to provide collection of sewage from Village Customers through the District South Sewage Collection System subject to the conditions precedent and limitations set forth in Article V of this Agreement, and to the other terms and conditions of this Agreement and the LRSD-County Agreement, and subject to the District's standard and customary terms and conditions for service (as may be modified by any further agreement that the District and Village may enter into); provided that, to the extent that the District's standard and customary terms for service are inconsistent with the conditions precedent, terms, and limitations of this Agreement or the LRSD-County Agreement, the conditions precedent, terms, and limitations of this Agreement and/or the LRSD-County Agreement shall control; provided further that any separate agreement between the District and the Village shall in no way alter the terms, conditions, and limitations in this Agreement or the LRSD-County Agreement.

3.3 **Village Obligations.**

A. **Use of County Sewerage System for Sanitary Sewer Service.** Except as provided in Section 3.3 of this LRSD-County Agreement, the Village shall not, at any time during the term of this Agreement, (i) offer, authorize, or permit any Sanitary Sewer Service within the Volo Service Subarea other than such Service as is delivered by the County by and through the County Sewerage System; (ii) construct, or cause, permit, or consent to the construction of, any Sanitary Sewers or Treatment facilities (other than the County Sewerage System and the District South Sewage Collection System) within the Volo Service Subarea; or (iii) deliver Sewage from properties within the Volo Service Subarea to any Transport or Treatment facility other than the County Sewerage System without, in each such case, the prior written consent of the County, the District, and the Village.

B. **Septic Systems.** Notwithstanding any District ordinances or District

agreements with the Village to the contrary, no residential septic system serving not more than one detached single family dwelling on a lot of not less than 40,000 square feet in area shall be considered to be a Treatment facility for purposes of this Section; provided, however, that the Village shall report to the County and the District any future authorization or use of septic systems for any such detached single family dwellings, and the calculable sewage flow from such septic systems shall result in an adjustment to the ultimate Total Sewage Flow authorized for sanitary sewer service under this Agreement. In addition, any existing septic systems serving nonresidential structures or residential structures (other than detached single family dwellings on a lot greater than 40,000 square feet in area) for which certificates of occupancy have been issued prior to the date of this Agreement shall not be considered a Treatment facility for purposes of this Section; provided, however, that such existing septic systems shall not be replaced or repaired in a manner requiring a permit from the Lake County Board of Health unless there is no Sanitary Sewer within 300 feet of the property served by such septic system.

C. After the date of this Agreement, neither the Village nor the County shall permit any septic systems for nonresidential structures in the Volo Service Subarea; provided, however, that the Village or County may authorize a temporary non-residential septic system prior to the construction and operation of the District South Sewage Collection System and subject to securing all required permits from the Lake County Board of Health; provided further than any such temporary non-residential septic system shall be discontinued within six months after a Sanitary Sewer is constructed within 300 feet of the property served by such septic system.

3.4 Other Agreements and Laws.

Nothing in this Agreement shall be construed or interpreted as a waiver by the County of its rights under any other agreement or law governing the County's right to provide exclusive Sanitary Sewer Service within any portion of the County, including the Volo Service Subarea.

ARTICLE IV

DISTRICT SEWAGE COLLECTION SYSTEM

4.1 Establishment of District South Sewage Collection System and Extensions to District Sewage Collection System.

A. Permitted Extensions and Enlargements. The District shall be permitted to extend, enlarge, or otherwise modify or improve the District Sewage Collection System in any manner that the District determines is necessary and appropriate (including the establishment of a District South Sewage Collection System) in order to serve Village Customers within the Volo Service Subarea; provided that any such extension, enlargement, modification, or improvement shall be undertaken in accordance with the terms of this Agreement.

B. Standards for Extensions or Enlargements. In the event that the District elects to extend, enlarge, or otherwise modify or improve the District Sewage Collection System (including the establishment of a District South Sewage Collection System), the District may do so in accordance with the terms, conditions, and limitations of the LRSD-County Agreement. The District and the Village may cooperate in whatever manner they deem necessary or appropriate in the establishment of a District South Sewage Collection System or the extension, enlargement, modification, or improvement of the District Sewage Collection System, provided that such activities shall comport with the terms, conditions, and limitations of this Agreement.

and the LRSD-County Agreement.

C. County Obligations. With respect to the establishment of the District South Sewage Collection System, the County shall comply with its obligations with respect to any extension, enlargement, modification, or improvement of the District Sewage Collection System as set forth in this Agreement and the LRSD-County Agreement.

ARTICLE V

CONDITIONS AND LIMITATIONS

5.1 Conditions Beyond County's Control.

The County shall not be responsible for any failure to perform the undertakings, obligations, and commitments assumed by it pursuant to this Agreement caused by a Force Majeure.

5.2 Conditions Upon County Service.

The terms, conditions, and limitations in the LRSD-County Agreement, together with the terms, conditions, and limitations of this Agreement, shall apply to the County's provision of Sanitary Sewer Service to the Volo Service Subarea.

5.3 Limitations on County Service.

A. In General. The County's obligation to provide Sanitary Sewer Service within the Volo Service Subarea shall be subject to the same limitations as the County's obligation to provide sanitary sewer service to other customers in the District Service Area as set forth in the LRSD-County Agreement.

B. Ultimate Limitations on Service within the Volo Service Subarea. The ultimate Total Sewage Flow for which the County shall provide sanitary sewer service from the Volo Service Subarea shall not exceed 21,900 P.E., of which not more than 300 P.E. shall be Existing Development Flow; provided that, to the extent Existing Development Flow exceeds 300 P.E., not more than 300 P.E. of such Existing Development Flow shall be included within the Nonresidential Sewage Flow. In addition, consistent with the Village Plan (and subject to adjustments as provided in this Agreement), the ultimate Residential Sewage Flow for which the County shall provide sanitary sewer service from the Volo Service Subarea shall not exceed 10,950 P.E., being not more than 50% of the ultimate Total Sewage Flow. To the extent that any portion of the territory included within the Volo Service Subarea as depicted on Exhibit A to this Agreement is either:

1. annexed to a municipality other than the Village;
2. hereafter subdivided pursuant to a plat approved by the County that provides for sanitary sewer service directly from the County;
3. issued a building permit by the County for a use that will receive sanitary sewer service directly from the County; or

4. hereafter approved for detached single family dwelling or dwellings that will utilize a septic system in accordance with Section 3.3.B of this Agreement,

(collectively, "**Flow Adjusting Events**"), then the ultimate Total Sewage Flow for which the County is obliged to provide sanitary sewer service from the Volo Service Subarea shall be reduced by the number of acres impacted by any of the Flow Adjusting Events multiplied by the "P.E. /Acre" value assigned to such acreage pursuant to the "Volo Zoning/Proposed Land Use Service Area Map" attached to this Agreement as Exhibit B and the "Village of Volo Flow and Population Projections at the Service Area 3" attached to this Agreement as Exhibit C (collectively, Exhibits B and C shall be referred to as the "**Village Plan Sewer Service Projections**"). If, after the parties have reasonably attempted to determine the amount that the ultimate Total Sewage Flow should be reduced as a result of a Flow Adjusting Event, the parties do not agree on the amount that the ultimate Total Sewage Flow shall be reduced based on the Village Plan Sewer Service Projections, then the parties shall collectively select a civil engineer who will apply the Village Plan Sewer Service Projections to the acreage affected by any Flow Adjusting Events, and the determination of such civil engineer shall be final with respect to the amount that the ultimate Total Sewage Flow shall be reduced.

C. Additional Limitations on Service within the Volo Service Subarea. To ensure the parties' desire to provide balanced development within the Volo Service Subarea in general conformity with the Village Plan, the following additional limitations shall apply with respect to the allocation of connection authorizations within the Volo Service Subarea:

1. Phase I Connections. "Phase I" shall be the period during which the Total Sewage Flow does not exceed 7,500 P.E. With respect to connections from the Volo Service Subarea during Phase I, not more than 67% of the Total Sewage Flow may at any time be Residential Sewage Flow (the "**Phase I Residential P.E. Limit**"); provided, however, that at any time during Phase I the amount of Residential Sewage Flow may exceed the Phase I Residential P.E. Limit by up to 1,500 P.E. so long as the Residential Sewage Flow during Phase I does not exceed 5,000 P.E.

2. Phase II Connections. "Phase II" shall be the period during the Total Sewage Flow exceeds 7,500 P.E. but is not more than 15,000 P.E. With respect to connections from the Volo Service Subarea during Phase II, the Residential Sewage Flow shall not at any time exceed the following amount:

$$\frac{1}{3} [\text{Total Sewage Flow} - 7500 \text{ P.E.}] + 5,000 \text{ P.E.} = \text{"Phase II Residential P.E. Limit."}$$

To the extent that, at any time during Phase II, the Residential Sewage Flow allowable under the Phase II Residential P.E. Limit exceeds the Nonresidential Sewage Flow by less than 500 P.E., the amount of Residential Sewage Flow may nevertheless exceed the Nonresidential Sewage Flow by up to 500 P.E.

3. Phase III Connections. "Phase III" shall be the period during which the Total Sewage Flow exceeds 15,000 P.E. Unless otherwise provided pursuant to Section 5.3.D of this Agreement, during Phase III the

Residential Sewage Flow shall not exceed 50% of the Total Sewage Flow by more than 500 P.E.

D. [Intentionally omitted.]

E. Consent from the Village of Round Lake. Notwithstanding anything to the contrary in this Agreement or the LRSD-County Agreement, to the extent that the Village seeks sanitary sewer service for any prospective Village Customer located within the cross-hatched area depicted on Exhibit A-1 to this Agreement, the Village shall first secure the written approval of the Village of Round Lake as a condition precedent to the County's obligation to provide sanitary sewer service to the Village or District with respect to such prospective Village Customers. Such consent from the Village of Round Lake may be granted other than on a case-by-case basis pursuant to an intergovernmental agreement or such other writing that clearly authorizes sanitary sewer service for such Village Customers.

F. Agreements with, and Conditions of Service Upon, Village Customers. The Village and the District agree that neither shall annex any territory located within the area depicted on Exhibit A to this Agreement unless the Village or the District has entered into an annexation agreement with the owner(s) of record of such territory, which agreement shall expressly incorporate the terms of this Agreement and the LRSD-County Agreement into its terms, and which agreement shall also require the owner(s) of record of such territory and such owner's or owners' successors in interest to such territory to release any claims against the County, the District, or the Village with respect to the terms, conditions, and limitations upon sanitary sewer service as set forth in this Agreement or the LRSD-County Agreement. In addition, for all prospective Village Customers for whose real property no such annexation agreement is in effect, the Village and the District shall require as a condition of sanitary sewer service that such prospective Village Customers on behalf of themselves and their successors in interest to the real property to be served agree in writing to acknowledge and accept the terms of this Agreement and the LRSD-County Agreement and to release any claims against the County, the District, and the Village with respect to the terms, conditions, and limitations upon sanitary sewer service as set forth in this Agreement or the LRSD-County Agreement.

G. Reporting Requirements.

1. Annually on or before the 1st day of March during the term of this Agreement, the District shall provide a report to the County reflecting, at a minimum, the following information based on the IEPA permits the District has executed through December 31 of the preceding calendar year: (a) the identification of the Phase (Phase I, II, or III) that the parties are operating under pursuant to Section 5.3.C of this Agreement, (b) the ultimate Total Sewage Flow authorized under the Agreement, as adjusted for any Flow Adjustment Events as provided for under Section 5.3.B of the Agreement, (c) the applicable Residential P.E. Limit as provided for under Section 5.3.C of the Agreement, (d) the Total Sewage Flow, (e) the Residential Sewage Flow, (f) the Nonresidential Sewage Flow, (g) the Existing Development Flow, and (h) the Combined Sewage Flow.
2. On at least a quarterly basis, the Village shall be required to report to the County and the District on all building permits and sewer connection permits issued for Village Customers receiving sanitary sewer service within the Volo Service Subarea. The District shall review all such reports

to determine whether the type of sewage flows (e.g., Nonresidential Sewage Flow, Residential Sewage Flow, Existing Development Flow) and Total Sewage Flow for which building permits or sewer connection permits have been issued are consistent with the types of sewage flows and Total Sewage Flow contemplated by the IEPA permit applications previously executed by the County for such parcels. The District shall further advise the County in writing of the nature and extent of any variance between the type of sewage flow or Total Sewage Flow reflected in such building permits and sewer connection permits on the one hand and the corresponding IEPA permit applications previously executed by the County on the other hand. Any variances between the type of sewage flow or Total Sewage Flow reflected by the building permits or sewer connection permits as compared to the corresponding IEPA permit applications previously executed by the County shall, in the discretion of the County, result in adjustments to the Nonresidential Sewage Flow and Residential Sewage Flow for purposes of Section 5.3.C of this Agreement.

3. In the event that any party becomes aware of the occurrence of any Flow Adjusting Event, as defined in Section 5.3.B of this Agreement, that party shall promptly notify the other parties in writing of such occurrence and at the same time shall make a good faith attempt to calculate the reduction warranted to the ultimate Total Sewage Flow as a result of the Flow Adjusting Event and provide written notice of such calculation and the basis thereof in writing to the other parties. Notwithstanding anything to the contrary herein, any final determination of the reduction to ultimate Total Sewage Flow warranted by any Flow Adjusting Event shall be made in accordance with the terms of Section 5.3.B of this Agreement.

ARTICLE VI

CHARGES AND FEES

All Connection Charges and Sewer User Fees for sanitary sewer service to Village Customers shall be governed by and subject to the terms set forth in the LRSD-County Agreement. For any Village Nonresidential Customer, the Nonresidential Sewage Flow attributable to such Village Nonresidential Customer pursuant to Section 2.2.C of this Agreement shall be the basis for calculating the required Connection Fees.

ARTICLE VII

OWNERSHIP AND MAINTENANCE

Ownership and maintenance responsibilities for the County Sewerage System and the District Sewage Collection System shall be as set forth in the LRSD-County Agreement. In relation to the County under this Agreement and the LRSD-County Agreement, and notwithstanding any agreements or understandings between the District and the Village to the

contrary, the District South Sewage Collection System shall be deemed to be part of the District Sewage Collection System.

ARTICLE VIII

FPA AMENDMENTS

8.1 Joint Action.

In order to promote sound public sewer planning and the efficient and economical use of any County, District, and Village facilities being installed and maintained pursuant to this Agreement:

1. The County shall file, and the District and Village shall support, any application that may be required to amend the Illinois Water Quality Management Plan with respect to the development of the County Sewerage System consistent with this Agreement.
2. The District shall file, and the County and Village shall support, any application that may be required to amend the Illinois Water Quality Management Plan with respect to the development of the District Sewage Collection System (including the District South Sewage Collection System) consistent with this Agreement.
3. Neither the District, the Village, nor the County shall file or support any petition or application to amend, and the County, the District, and the Village shall undertake joint and cooperative action to oppose and object to any third-party petition or application to amend, the Illinois Water Quality Management Plan or the Areawide Water Quality Management Plan for Northeastern Illinois that would have the effect of preventing the District and the County from providing Sanitary Sewer Service to the any lot, parcel, or tract within the Volo Service Subarea, in the manner provided by this Agreement. For purposes of this Clause 8.1(3), joint and cooperative action shall include, without limitation, filing written objections, providing staff support, and retaining such attorneys and consultants as the parties mutually agree are necessary with respect to such objections.

8.2 Exceptions.

Nothing in Section 8.1 of this Agreement shall require the County, the District, or the Village to take any action that it is prohibited from taking, or to refrain from taking any action that it is required to take, pursuant to any agreement that such party approved by formal action of its corporate authorities prior to the Effective Date of this Agreement.

ARTICLE IX

OTHER CONTRACTS AND SERVICE

9.1 County Rights.

The County shall have the right to contract with other persons, natural or corporate, private or public, to perform services similar to those to be performed pursuant to this Agreement; provided, however, that nothing in this Agreement shall be construed to require the County to provide Sanitary Sewer Service to any area of the Village not located within the Volo Service Subarea.

9.2 Village and District Acknowledgements.

The Village and District acknowledge and agree that: (i) the County does not act or operate as a public or private utility; (ii) the County does not act or operate in a business or proprietary capacity in providing Sanitary Sewer Service to lots, tracts, parcels, or areas within the Volo Service Subarea; (iii) the County does not by this Agreement or the LRSD-County Agreement, or its performance pursuant to this Agreement or the LRSD-County Agreement, hold itself out as offering to, and is under no obligation to, provide Sanitary Sewer Service to any lot, tract, parcel, or area other than lot, tracts, parcels, or areas located within the Volo Service Subarea; and (iv) the County's sole obligation to provide Sanitary Sewer Service to lots, tracts, parcels, or areas within the Volo Service Subarea is the contractual obligation set forth in this Agreement and the LRSD-County Agreement.

9.3 Other County Service.

Nothing in this Agreement shall be construed or interpreted to prevent or limit the right of the County, or to require the consent of the District or the Village, to provide Sanitary Sewer Service to parties other than the District or the Village on such terms and conditions as the County may, in its sole discretion, determine to be appropriate, including, without limitation, Sanitary Sewer Service utilizing the County Sewerage System; provided, however, that the County shall not provide Sanitary Sewer Service within the Volo Service Subarea except in accordance with the terms and conditions of this Agreement.

9.4 No Third Party Beneficiaries.

Nothing in this Agreement shall create, or be construed or interpreted to create, any third party beneficiary rights.

9.5 Water Service.

This Agreement does not pertain to public water supply service within the District or the Village and shall not affect the rights or obligations of either the County, the District, or the Village with respect to such service within the District or the Village.

9.6 **Village-Districts Agreements.**

Nothing in this Agreement shall preclude the Village and the District from entering into separate agreements with each other to define further their respective obligations to each other relating to sanitary sewer service; provided, however, that no such separate agreements shall alter, modify, or otherwise affect the terms, conditions, or limitations of this Agreement or the LRSD-County Agreement; and provided further that, notwithstanding the provisions of such separate agreements, the obligations and rights of the Village and the District vis-à-vis the County shall be and remain as set forth in this Agreement and the LRSD-County Agreement.

ARTICLE X

LEGAL RELATIONSHIPS AND REQUIREMENTS

10.1 **Exhibits.**

Exhibits A through C attached to this Agreement are, by this reference, incorporated into and made a part of this Agreement.

10.2 **Entire Agreement; Consistency with the LRSD-County Agreement.**

There are no representations, covenants, promises, or obligations not contained in this Agreement that form any part of this Agreement or upon which either of the parties is relying in entering into this Agreement. In addition, this Agreement is intended to be in harmony with and complementary to the terms and provisions of the LRSD-County Agreement.

10.3 **Amendments.**

Except as expressly provided otherwise in this Agreement, this Agreement shall not be modified, changed, altered, amended, or terminated without the written and duly authorized consent of the County, the District, and the Village.

10.4 **Waivers.**

No term or condition of this Agreement shall be deemed waived by any party unless the term or condition to be waived and the circumstances giving rise to such waiver are set forth specifically in a duly authorized and written waiver of such party. No waiver by any party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition of this Agreement, nor shall waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or a different provisions of this Agreement.

10.5 Interpretation and Severability.

It is the intent of the County, the District, and the Village that this Agreement be construed and interpreted so as to preserve its validity and enforceability as a whole. In case of any conflict among the provisions of this Agreement, the provision that best promotes and reflects the intent of the parties shall control. If any provision of this Agreement is construed or held to be void, invalid, or unenforceable in any respect, the remaining provisions of this Agreement shall not be affected thereby but shall remain in full force and effect. In furtherance of the foregoing, neither the County, the District, nor the Village may challenge the enforceability of any provisions of this Agreement. Notwithstanding anything in this Section to the contrary, however, if the provisions of Section 5.3 of this Agreement are held to be void, invalid, or unenforceable in any respect, then this Agreement shall be deemed a nullity in its entirety, and the parties shall enter into good faith negotiations to reform the Agreement in order to effectuate the intent of the parties as reflected in Section 5.3.

10.6 Regulatory Bodies.

This Agreement shall be subject to all valid rules, regulations, and laws applicable hereto passed and promulgated by the United States of America, the State of Illinois, or any other governmental body or agency having lawful jurisdiction, or any authorized representative or agent of any of them; provided, however, that this Section 10.6 shall not be construed as waiving the right of any party to challenge the validity of any such rules, regulations, or laws on any basis, including the impairment of this Agreement. The County reserves the right to adopt ordinances, rules, and regulations governing the design, installation, and use of the County Sewerage System. The District reserves the right to adopt ordinances, rules, and regulations governing the design, installation, and use of the District Sewage Collection System, provided that such ordinances, rules, and regulations are not inconsistent with this Agreement or the LRSD-County Agreement.

10.7 Successors; Assignment.

This Agreement shall be binding on, and shall inure to the benefit of the successors and permitted assigns of the County, the District, and the Village. Neither the District nor the Village shall assign this Agreement in whole or in part, or any of its rights or obligations under this Agreement, without the prior express written consent of the County, which consent may be withheld in the sole and unfettered discretion of the County. In addition, the County shall not assign this Agreement in whole or in part, or any of its rights or obligations under this Agreement, without the prior express written consent of the District and the Village, which consent may be withheld in the sole and unfettered discretion of the District or the Village.

10.8 Effective Date and Term.

A. Effective Date. This Agreement shall take effect as of the date first above written when executed by the duly authorized representatives of the County, the District, and the Village; provided, however, that this Agreement shall not be effective unless and until the LRSD-County Agreement shall have become effective.

B. Term. This Agreement shall be in full force and effect for a period of 20 years from and after its Effective Date.

10.9 Notices.

All notices and other communications in connection with this Agreement shall be in writing and shall be deemed delivered to the addressee thereof when delivered in person or by express mail or messenger at the address set forth below or three business days after deposit thereof in any main or branch United States post office, certified or registered mail, return receipt requested, postage prepaid, properly addressed to the parties, respectively, as follows:

For notices and communications to the County:

County of Lake
18 North County Street
Waukegan, Illinois 60065
Attn: County Administrator

and

Lake County Department of Public Works
650 Winchester Road
Libertyville, Illinois 60046
Attn: Superintendent

For notices and communications to the District:

Lakes Region Sanitary District
Attn: District Manager
25700 West Old Grand Avenue
Ingleside, Illinois 60041.

For notices and communications to the Village:

Village of Volo
Attn: Village President
27273 Volo Village Road
Volo, Illinois 60073

By notice complying with the foregoing requirements of this Section 10.9, each party shall have the right to change the addressees or addresses or both for all future notices and communications to such party, but no notice of a change of address shall be effective until actually received.

10.10 Execution in Counterparts.

This Agreement may be executed in multiple identical counterparts, and all of said counterparts shall, individually and taken together, constitute one and the same Agreement.

10.11 Indemnification.

The Village agrees to indemnify, defend, and hold the County and the District, and their respective officers, officials, employees, agents, attorneys, and representatives, harmless from and against any suits, actions, complaints, claims, damages, judgments, awards, or any liabilities of any kind whatsoever arising out of or relating to Village land use determinations or allocations of sanitary sewer service based on the provisions of Section 5.3 of this Agreement.

10.12 Enforcement and Remedies.

The parties hereto may in law or in equity enforce or compel the performance of this Agreement and shall otherwise have all remedies provided by applicable United States of America, State of Illinois, and local laws, ordinances, rules, and regulations, except that neither the District, the County, nor the Village shall seek or recover monetary damages against the other or any of the other's officials, agents, representatives, attorneys, or employees on account of the negotiation, execution, or breach of any of the terms and conditions of this Agreement. Enforcement actions relating to Section 10.11 of this Agreement or to collect Connection Charges or Sewer User Fees due under this Agreement (or the LRSD-County Agreement) shall not be deemed actions for monetary damages for purposes of this Section 10.12.

[SIGNATURES CONTINUE ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written.

ATTEST:

Michael J. Higgins
District Clerk

LAKES REGION SANITARY DISTRICT

By: *James A. Pratt*
District President

ATTEST:

Whitlaid R. Helander
County Clerk

COUNTY OF LAKE

By: *Steve Belmont*
Chairman, Lake County Board

ATTEST:

LaVerne Drake
Village Clerk

VILLAGE OF VOLO

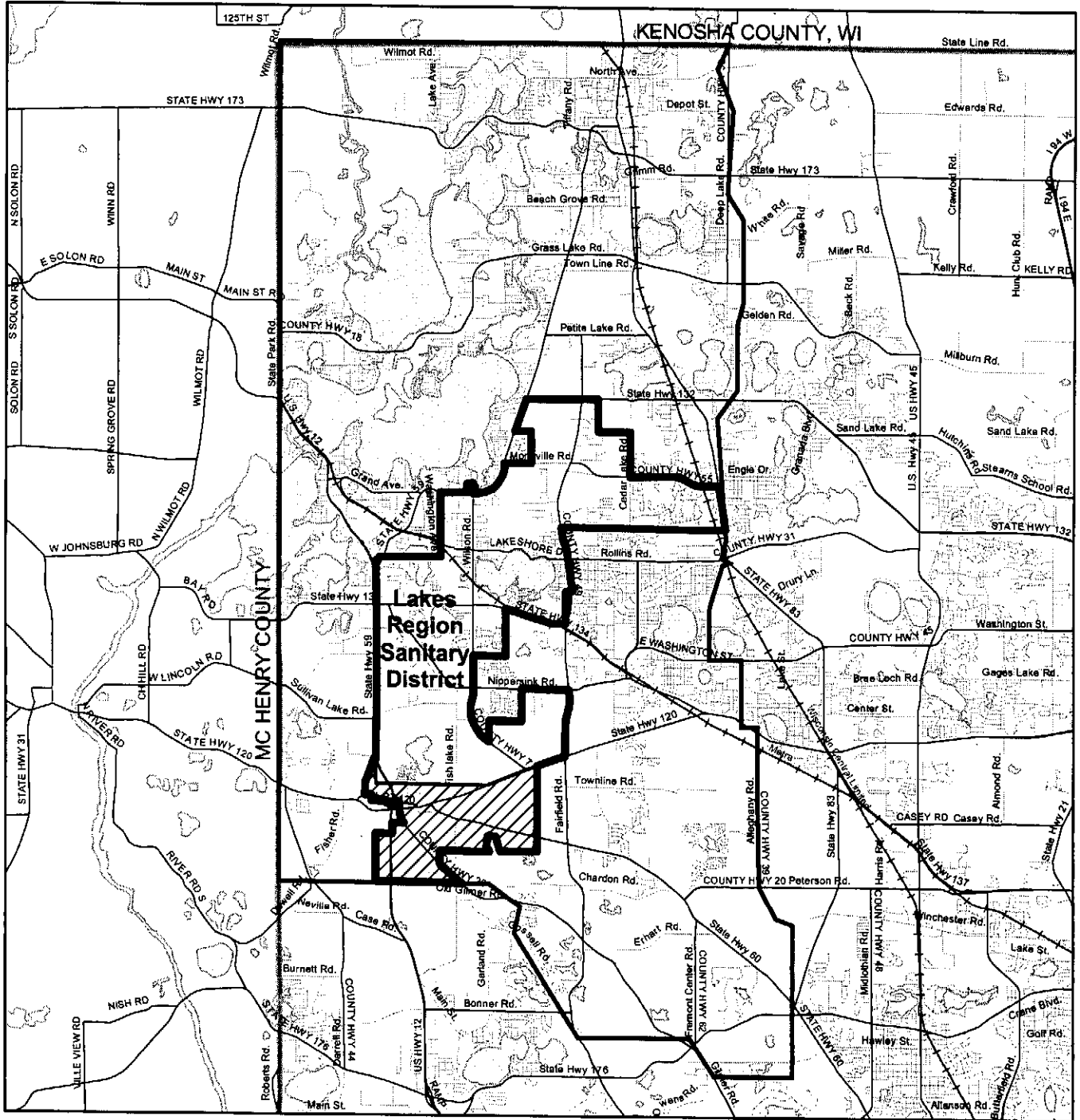
By: *Bernell Russell*
Village President

2200321_v6

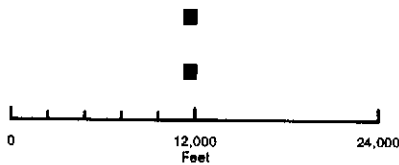
EXHIBIT A

Volo Service Subarea Map

VOLO SERVICE SUBAREA EXHIBIT A



Lake County Public Works Department
650 West Winchester Road
Libertyville, Illinois 60048
(847) 377-7500
(847) 377-7173 FAX



Legend

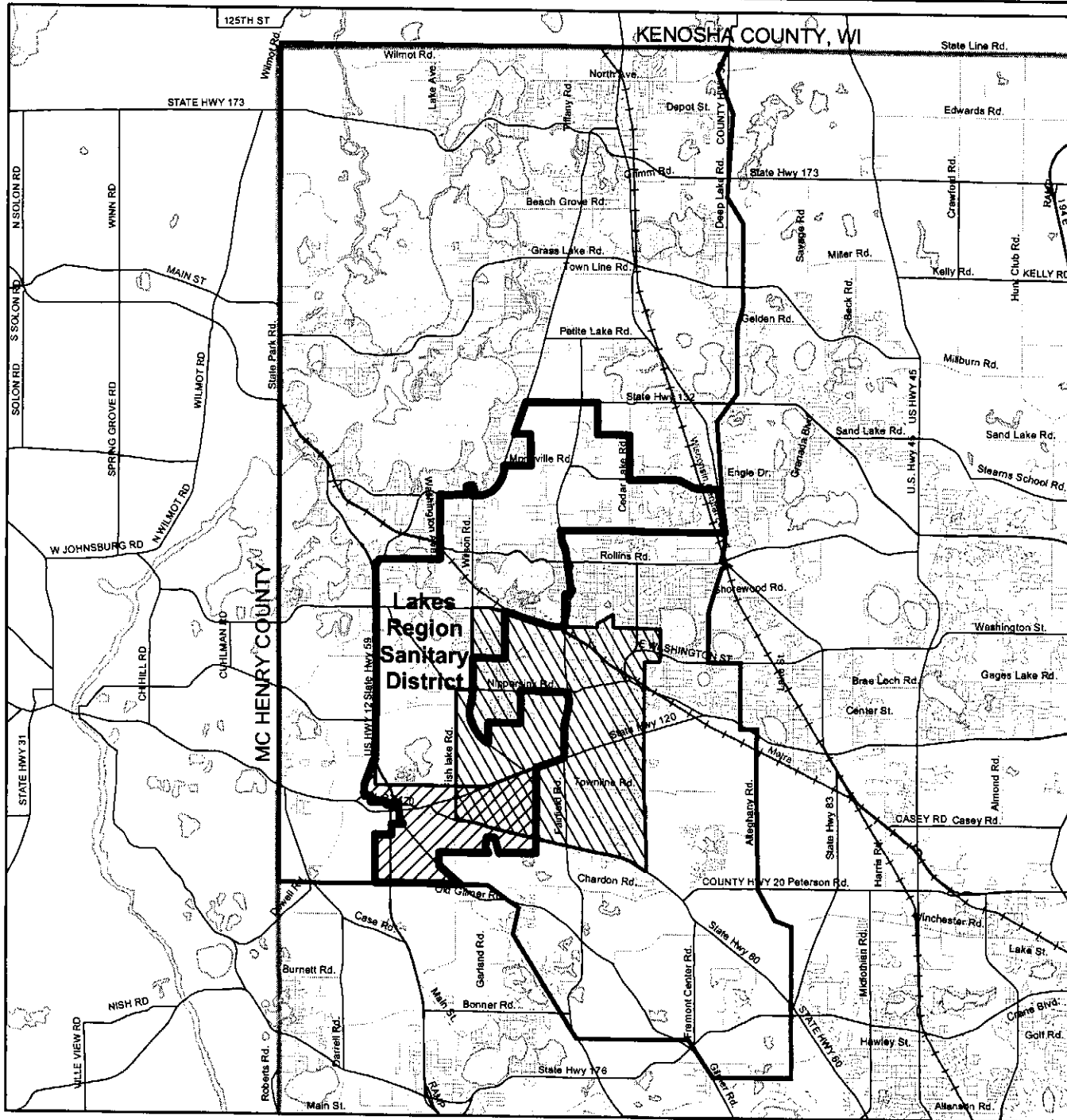
- Volo Service Subarea
- Lakes Region Sanitary District Boundary (as amended)
- County / Fox Lake Sewer Service Area (1977)

OCTOBER 2004

EXHIBIT A-1

Volo Service Subarea Map (with Round Lake "Sphere of Influence")

VOLO SERVICE SUBAREA AND ROUND LAKE SPHERE OF INFLUENCE EXHIBIT A-1

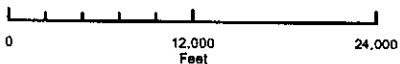


Legend

- Volo Service Subarea
- Round Lake Sphere of Influence
- Lakes Region Sanitary District Boundary (as amended)
- County / Fox Lake Sewer Service Area (1977)



Lake County Public Works Department
650 West Winchester Road
Libertyville, Illinois 60048
(847) 377-7500
(847) 377-7173 FAX

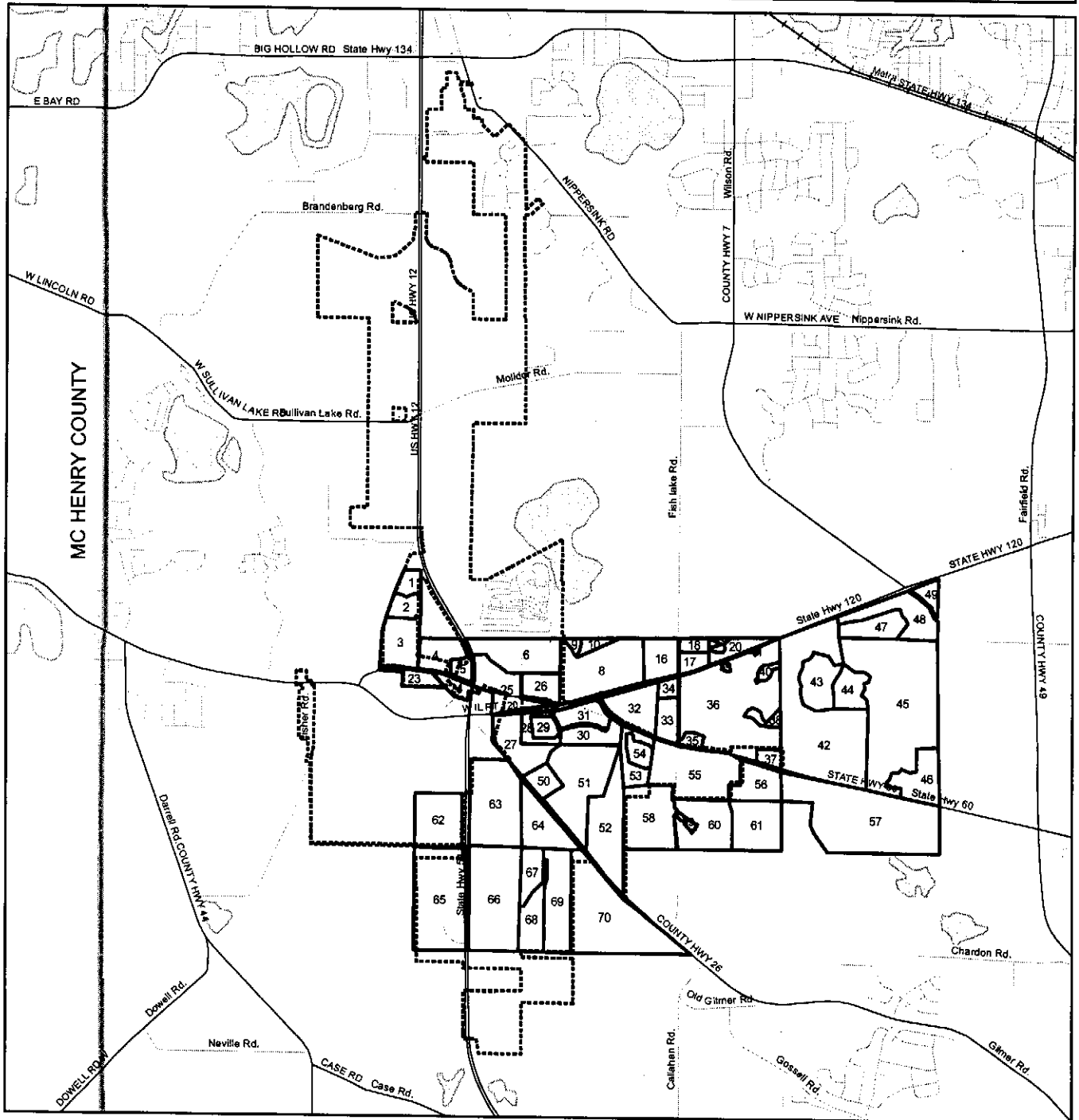


OCTOBER 2004

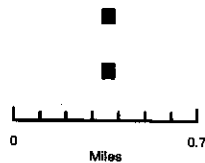
EXHIBIT B

Volo Zoning/Proposed Land Use Service Area Map

VILLAGE OF VOLO ZONING AND PROPOSED LAND USE SERVICE AREA EXHIBIT B



Lake County Public Works Department
650 West Winchester Road
Libertyville, Illinois 60048
(847) 377-7500
(847) 377-7173 FAX



Legend

- Volo Zoning & Proposed Land Use Service Area
- Village of Volo Municipal Boundary

OCTOBER 2004

EXHIBIT C

Village of Volo Flow and Population Projections at the Service Area 3

**EXHIBIT C
VILLAGE OF VOLO
*FLOW AND POPULATION PROJECTIONS
AT THE SERVICE AREA 3
VOL37-4113**

Oct-03
REVISED 11/12/2003
REVISED 01-12-04
REVISED PER LCPW 04-01-04
REVISED PER LCPW 05-04-04

SERVICE AREA	ZONING	PARCEL #	AREA(AC)	EST DU/AC	PE/AC	PE	DAILY FLOW(GPD)
3	Commercial	1	11.0		15	165	16,500
3	Wetlands	2	14.0		N/A	N/A	N/A
3	Commercial	3	27.0		15	405	40,500
3	Moderate-Density Residential	4	34.0	5.7	20	680	68,000
3	Commercial	5	7.0		15	105	10,500
3	Mixed Use	6	38.0		15	570	57,000
3	Commercial	8	59.0		15	885	88,500
3	Open Space/Conservation Areas/Buffers	9	3.0		N/A	N/A	N/A
3	Low-Density Residential	10	5.0	2.5	10	50	5,000
3	Moderate-Density Residential	16	20.0	5.7	20	400	40,000
3	Public/Quasi-Public Space	17	8.0		15	120	12,000
3	Public/Quasi-Public Space	18	6.0		15	90	9,000
3	Wetlands	19	2.0		N/A	N/A	N/A
3	Open Space/Conservation Areas/Buffers	20	12.0		N/A	N/A	N/A
3	Mixed Use	23	9.0		15	135	13,500
3	Commercial	24	5.0		15	75	7,500
3	Commercial	25	29.0		15	435	43,500
3	Commercial	26	74.0		15	1110	111,000
3	Commercial	27	30.0		15	450	45,000
3	Open Space/Conservation Areas/Buffers	28	9.0		N/A	N/A	N/A
3	Light Industrial/Employment	29	8.0		15	120	12,000
3	Light Industrial/Employment	30	17.0		15	255	25,500
3	Commercial	31	15.0		15	225	22,500
3	Light Industrial/Employment	32	28.0		15	420	42,000
3	Moderate-Density Residential	33	14.0	5.7	20	280	28,000
3	Commercial	34	5.0		15	75	7,500
3	Wetlands	35	5.0		N/A	N/A	N/A

*Excludes a small amount of service area # 3 currently within the boundary of LRSD

VOLO SA

SERVICE AREA	ZONING	PARCEL #	AREA(AC)	EST DU/JAC	PE/JAC	PE	DAILY FLOW(GPD)
3	Low-Density Residential	36	124.0	2.5	10	1240	124,000
3	Commercial	37	7.0		15	105	10,500
3	Wetlands	38	5.0		N/A	N/A	N/A
3	Wetlands	39	1.0		N/A	N/A	N/A
3	Wetlands		4.0		N/A	N/A	N/A
3	Wetlands	41	0.2		N/A	N/A	N/A
3	Estate Residential	42	134.0	1.5	7	938	93,800
3	Lakes	43	26.0		N/A	N/A	N/A
3	Wetlands	44	18.0		N/A	N/A	N/A
3	Estate Residential	45	150.0	1.5	7	1050	105,000
3	Public/Quasi-Public Space	46	28.0		15	420	42,000
3	Wetlands	47	20.0		N/A	N/A	N/A
3	Commercial	48	31.0		15	465	46,500
3	Commercial	49	7.0		15	105	10,500
3	Mixed Use	50	11.0		15	165	16,500
3	Moderate-Density Residential	51	63.0	5.7	20	1260	126,000
3	Low-Density Residential	52	50.0	2.5	10	500	50,000
3	Open Space/Conservation Areas/Buffers	53	15.0		N/A	N/A	N/A
3	Wetlands	54	9.0		N/A	N/A	N/A
3	Low-Density Residential	55	61.0	2.5	10	610	61,000
3	Estate Residential	56	24.0	1.5	7	168	16,800
3	Estate Residential	57	124.0	1.5	7	868	86,800
3	Low-Density Residential	58	47.0	2.5	10	470	47,000
3	Wetlands	59	2.0		N/A	N/A	N/A
3	Low-Density Residential	60	38.0	2.5	10	380	38,000
3	Public/Quasi-Public Space	61	36.0		15	540	54,000
3	Commercial	62	38.0		15	570	57,000

VOLO SA

SERVICE AREA	ZONING	PARCEL #	AREA(AC)	EST DU/AC	PE/AC	PE	DAILY FLOW(GPD)
3	Commercial	63	64.0		15	960	96,000
3	Light Industrial/Employment	64	30.0		15	450	45,000
3	Light Industrial/Employment	65	78.0		15	1170	117,000
3	Light Industrial/Employment	66	79.0		15	1185	118,500
3	Moderate-Density Residential	67	15.0	5.7	20	300	30,000
3	Wetlands	68	22.0		N/A	N/A	N/A
3	Open Space/Conservation Areas/Buffers	69	40.0		N/A	N/A	N/A
3	Low-Density Residential	70	93.0	2.5	10	930	93,000
TOTAL			1988.2			21899	2,189,900

SUMMARY OF USAGE BY AREA							
SERVICE AREA	ZONING	AREA(AC)	EST DU/AC	PE/AC	PE	DAILY FLOW(GPD)	% OF TOTAL AREA
3	Commercial	409.0		15.0	6135	613500	21
3	Wetlands	102.2		N/A	N/A	N/A	5
3	Moderate-Density Residential	146.0	5.7	20.0	2920	292000	7
3	Mixed Use	58.0		15.0	870	87000	3
3	Open Space/Conservation Areas/Buffers	79.0		N/A	N/A	N/A	4
3	Low-Density Residential	418.0	2.5	10.0	4180	418000	21
3	Lakes	26.0		N/A	N/A	N/A	1
3	Public/Quasi-Public Space	78.0		15.0	1170	117000	4
3	Light Industrial/Employment	240.0		15.0	3600	360000	12
3	Estate Residential	432.0	1.5	7.0	3024	302400	22
TOTAL		1988.2			21899	2189900	100
TOTAL %							

Notes:

The Service Area 3 is planned to discharge to the Lake County Public Works Department Interceptor on Wilson Road Areas such as wetlands, Lakes, Regional Open Space, Open Space/Conservation Areas/Buffers and Public/Quasi-Public Space are not taking into account for PE calculations
 Most PE/AC calculation is rounded up to nearest 5 except Residential Estate which is calculated at 7 PE/AC.
 Actual PE/AC may be less than estimated above