

**WATER SHUT-OFF AGREEMENT FOR NON-PAYMENT OF SEWER COLLECTION
AND TREATMENT CHARGES**

THIS WATER SHUT-OFF AGREEMENT FOR NON-PAYMENT OF SEWER COLLECTION TREATMENT CHARGES (the "Agreement") is made effective as of the 23rd day of May, 2018 (the "Effective Date"), by and between **Illinois-American Water Company**, an Illinois corporation (the "Company"), and **the Village of Homer Glen**, an Illinois municipal corporation (the "Village"). Hereinafter the Company and the Village may be referred to individually as a "Party", and collectively as the "Parties".

WHEREAS, the Company is a public utility regulated by the Illinois Commerce Commission and provides potable water services to customers in and around the boundaries of the Village; and

WHEREAS, the Village provides sewer collection and treatment services to customers in and around the municipal boundaries of the Village, and bills said customers for the sewer collection and treatment services it provides; and

WHEREAS, the Company is authorized, at the request and direction of an authorized representative of the Village, pursuant to the provisions of the Illinois Statutes, 65 ILCS 5/11-141-7 to contract to shut-off the supply of water from its potable water distribution system to any premises at which the user charges for sewer collection and treatment service supplied by the Village are delinquent for more than thirty (30) days.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used herein shall have the following meanings:

"Sewer Collection and Treatment Charges" means the charges billed by the Village to a User for the use of the Village's sewer collection and treatment system.

"Term" means the period of time the Agreement is in force (including any renewal) with the initial period beginning on the Effective Date and ending on the third (3rd) anniversary thereof (the "Initial Term"), unless terminated earlier pursuant to Section 5.

"User" means any person(s) or premise that discharges wastewater into the Village's sewer collection and treatment system and is a customer of the Company.

2. Shut-off Services

a. When the Village determines, in accordance with applicable Illinois law, that a User's charges remain unpaid and are in arrears for more than thirty (30) days after rendition of a written notice of such charge, sent by first class mail to each User for a particular premise, and the Village makes a specific written request to the Company to terminate water service to the Village's User until such time as the Sewer Collection and Treatment Charges and all related costs are paid in full, the Company shall terminate said

user's water service as set forth below. The Village shall, by written certification signed by an authorized representative of the Village's Sewer Collection and Treatment Department, certify to the Company, at an office or location so designated by the Company, the following:

- (1) the name of the User that is in arrears in payment of Sewer Collection and Treatment Charges;
- (2) the address of the premises where such sewer service was received;
- (3) that said User's Sewer Collection and Treatment Charges are in arrears for more than thirty (30) days after sending written notice by first class mail;
- (4) that said User has been afforded written notice, by first class mail, of (i) the arrearage amount, and (ii) the Village's intent to terminate sewer treatment service by means of a written request to the Company to discontinue said User's water service;
- (5) that the User has been afforded a right to be heard on the correctness of the Village's record of arrearage;
- (6) that all Federal and State Constitutional as well as all Federal and State statutory prerequisites applicable to the collection of debt have been properly satisfied by the Village or the Company; and
- (7) that the Village has complied with their policies and procedures regarding the billing and shut-off notification process.

b. Per the "Village of Homer Glen Shut-off / Release Procedure" (Exhibit A hereto), upon receipt of the written request and certification as set out above, the Company shall, within twenty (20) days, send an employee of the Company to the premises as identified by the Village and terminate the water service to such premises after having first advised any responsible person present at such premises of the termination of water service at the request of the Village due to non-payment of User's Sewer Treatment Charges. The Shut-off / Release Procedure shall also govern the return of water service once the Village has notified the Company that all arrearages have been paid.

c. Notwithstanding anything to the contrary herein stated the Company reserves the exclusive right, at its sole discretion, to process the Village's requests for termination of water service on such schedules and at such times as is convenient to the Company and are consistent with the Company's normal business practice and procedure.

d. The Company's actions required under this Agreement shall be excused if, due to matters beyond its control, including but not limited to employee work stoppages, strikes, inclement weather and emergencies requiring utilization of manpower or resources elsewhere. Termination will not be completed if the Illinois Commerce Commission, a local board of health, municipality, fire Village, court of competent jurisdiction or other governmental entity having jurisdiction issues an instruction to the Company so stating. At such time, the Company will relay such conflicting instructions to the Village and the Company will not knowingly take further

actions toward termination until the appropriate governmental entity or the Village notifies the Company in writing that the conflict with the termination(s) has been resolved and provides written evidence thereof. Thereafter, the Village shall indemnify, defend, and hold the Company harmless for actions taken by the Company based on the Village's notification.

e. In no event shall the Company be required to disconnect a fire line service without authorization from the governmental authority responsible for fire protection to the affected property, even in cases of combined fire and domestic service lines.

3. Shut-off Services Fee.

a. The Village shall pay to the Company, within thirty (30) days of receipt of an invoice from the Company, the sum of Sixty-Five Dollars (\$65.00) to cover the Company's cost of terminating and restoring water supply to each premise that requires a one-person shut-off crew. For premises in which a two person crew is required to perform the terminating and restoring of water supply, the sum of One Hundred Dollars (\$100.00) will be charged for each premise. Such invoice shall be sent and payable following termination of service, even if restoration is not requested. In addition, in all cases the Company shall charge a Ten Dollar (\$10.00) fee for administrative costs related to shut off notifications, even if termination of water service does not occur. In the event that more than one hour is required for either the termination or restoration of water service to any designated premises, the Village shall pay the actual cost thereof to the Company based on time, material, transportation and other fixed charges. If more than one hour is required to terminate or restore water service, the Village shall be notified of the charges within one (1) business day of the additional charges. The fees fixed hereunder may be amended from time to time as agreed by the Parties.

b. The Village, in addition to the sums as set out in paragraph a. above, shall pay to the Water Company the estimated loss of water revenues resulting from each such termination made hereunder. The estimated loss of water revenue for each termination of residential water service shall be as follows:

From Date of Shut-off up to 4 days = \$5.00

From Date of Shut-off to 5 - 35 days = \$40.00

From Date of Shut-off to 36 - 65 days = \$80.00

From Date of Shut-off to 66 days through 90 days = \$120.00

The Village shall pay monthly for the lost water revenue for the period beginning with the termination through the restoration of water services. For residential property, if the water service is required to be off for longer than ninety (90) days, the account shall be considered abandoned at the end of said ninety (90) days and the lost revenue charge to the Village shall cease.

4. Covenants of the Village. The Village hereby covenants and agrees:

a. The Village hereby agrees not to enact or pass any ordinance or law inconsistent with the terms of this Agreement.

b. The Company shall not be liable for any loss, damage, or other claim asserted by the Village's users, the owner and/or tenant of the premises, the water customer, the Village or any other person, corporation or entity based upon or arising out of the termination of water service at the request of the Village. As provided by statute, the Village agrees to indemnify, defend and hold harmless the Company, and its employees and agents, harmless from and against any and all claims (including reasonable attorney's fees), complaints or causes of action (whether judicial, administrative, or otherwise) arising out of actions taken by the Company pursuant to a request of the Village in accordance with Section 2.

c. Notwithstanding anything to the contrary, should a new customer who was not a User at the time the arrearage owed to the Village was incurred at a terminated premises apply for water service to that premises, the Company may provide such service and the Village will not look to such new water customer for payment of the prior sewer arrearage.

d. The Village shall handle all User communications regarding service terminations implemented pursuant to this Agreement. Communications from Users to the Company shall be referred and directed to the Village at a phone number provided by the Village.

5. Termination. Either Party shall have the right to terminate this Agreement upon ninety (90) days written notice to the other Party. The Company may terminate at any time if, in its sole opinion, it cannot continue to provide said shut-off services due to governmental, regulatory or staffing concerns or if the Company ceases to provide water service to the Users.

6. Notices. Any notice, demand or communication required herein or permitted hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if (a) delivered personally to the party or to an authorized representative of the party to whom the same is directed, (b) if sent by a nationally recognized overnight delivery service, charges prepaid, or (c) if sent by certified mail (return receipt requested), postage and charges prepaid, in each case addressed as follows:

If to the Village: Village of Homer Glen
Attn: Michael Mertens, Village Manager
14240 W. 151st Street
Homer Glen, Illinois 60491

If to the Company: Illinois-American Water Company
Attn: Michael A. Smyth
100 N. Water Works Drive
Belleville, IL 62223

With a copy to: Legal Department
Illinois-American Water Company
100 North Water Works Drive
Belleville, IL 62223

or to such other address with respect to a party as such party shall notify the other in writing as above provided. Except as otherwise provided in this Agreement, any such notice shall be deemed to be given on the day personally delivered, one (1) day after the date on which the same was deposited with a nationally recognized overnight delivery service, or three (3) business days after the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, in each case addressed and sent as aforesaid.

7. **Applicable Law.** This Agreement shall be construed and its performance shall be determined in accordance with the laws of the State of Illinois.

8. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, but shall not be assignable by any third party hereto without the prior written consent of the other Party. Any attempted assignment shall be void. Notwithstanding the foregoing, the Company may assign its rights and obligations hereunder, without the consent of the Village, to an affiliate of the Company provided that, in the case of such an assignment, the Company shall remain fully and primarily liable to the Village for the Company's obligations hereunder.

9. **Severability.** The invalidity of any provision or part of this Agreement shall not be deemed to affect the validity of any other provision. In the event that any provision or part hereof is held illegal, unenforceable or invalid, both Parties agree that the remaining provisions shall be and remain valid and enforceable to the fullest extent permitted by law.

10. **Complete Agreement.** This Agreement contains the entire agreement between the Parties hereto with respect to the Shut-off Services and supersedes all prior agreements and understandings between the Parties with respect to the subject matter thereof.

11. **Amendment.** This Agreement may be amended at any time by mutual agreement of the parties that is reduced to writing and signed by all Parties.

12. **Captions.** The captions in this Agreement are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any provision hereof or herein contained.

13. **Waiver and Other Action.** The failure of any Party to exercise any right, power or option given it hereunder, or to insist upon strict compliance with the provisions hereof, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such Party of its rights at any time to require exact and strict compliance with all the terms hereof. The rights and remedies under this Agreement are cumulative to any other rights or remedies which may be warranted by law.

14. **Warranties as to Authority; No Conflict.** The individuals executing this Agreement hereby warrant that they have the proper authority to enter into this Agreement on behalf of the Party for whom they are signing and that any and all necessary corporate actions or resolutions, if any, necessary to that Party's entry into this Agreement have been duly adopted. Neither the execution of this Agreement, nor the consummation or performance of any of the transactions contemplated hereby will, directly or indirectly (a) contravene, conflict with, or result in a violation of any resolution, ordinance or other law adopted by the Village, or (b) give any

person the right to challenge any of the transactions contemplated hereby or to exercise any remedy or obtain any relief under any such resolution, ordinance or law. The Parties agree that the Company is acting as an independent contractor and is not an employee or affiliate of the Village.

15. Counterpart Execution. This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument, and this Agreement shall not be binding on the signatories hereto until all such parties have executed this Agreement.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement effective as of the day and year first above written.

The Company

ILLINOIS-AMERICAN WATER
COMPANY

By: Michael A. Smyth
Michael A. Smyth
Vice President, Operations

The Village

VILLAGE OF HOMER GLEN

By: George Yukich
George Yukich
Mayor

EXHIBIT A

Village of Homer Glen Shut-Off/Release Procedure

1. The Village of Homer Glen (the "Village") shall send a notification letter to any customer that is eligible for shut-off due to non-payment of the Village's sewer treatment charges.

- When the Village's customer of record is different from Illinois-American Water Company's ("ILAWC") customer of record (i.e. owners and tenants of a multi-family dwelling), the Village shall also provide appropriate notification to ILAWC's customer of record.

2. The Village must upload their delinquent customer list to the Managed File Transfer ("MFT") Site at <https://mft.amwater.com> utilizing the Disconnect Letter template provided by ILAWC. The Village will be provided a Response File within the MFT Site that will advise them of either the successful processing of the request or necessary steps to take for re-processing of the request.

3. ILAWC will automatically print and mail the water disconnection notice to delinquent customers by the next business day.

- Any customer who receives a disconnect notice from ILAWC shall be afforded a ten (10) day grace period to submit payment before the actual disconnection. It is the Village's responsibility to keep track of the 10-day grace period and when a residence is eligible for disconnection.

4. After the 10-day grace period, the Village may upload a list of unpaid premise numbers to the MFT Site utilizing a Disconnect Request template provided by ILAWC. A Response File will be generated within the MFT Site to provide a status of the request. Each account must have received a disconnection notice from ILAWC in order for the request to process successfully.

To Restore Service:

- The customer will need to contact the Village to confirm the amount of outstanding charges and to arrange for restoration of services.
- Once the customer pays the outstanding charges to the Village, the Village must upload their reconnect request to the MFT Site utilizing the Reconnect Request template provided by ILAWC. A Response File will be generated within the MFT Site.
- ILAWC will not disconnect a customer's water service after 2 p.m., or on a Friday, Saturday, Sunday, legal holiday, or the day before a legal holiday.

- Customer turn-on is scheduled under the standard provisions for all ILAWC customers. Order will be scheduled for the same day if placed prior to 2:00 pm. If placed after 2:00 pm, the order will be scheduled for the next business day. An individual 18 years of age or older must be present for turn-on.

5. The ILAWC field office will create a miscellaneous invoice to the Village for the accounts processed based upon the list of actual service orders worked.

CONTACT INFORMATION

Village:

Name: Finance Department

Address: 14240 W. 151st Street
Homer Glen, Illinois 60491

Phone: 708-301-0632

E-Mail: village@homerglenil.org

ILAWC Local Field Office:

Name: Teresa Harrington

Address: 1000 Internationale Pkwy
Woodridge, IL 60517

Phone: 630-739-8818

E-Mail: teresa.harrington@amwater.com