

Ordinance No. 07- 60

**AN ORDINANCE APPROVING A LETTER OF INTENT**

*BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:*

**SECTION 1:** That certain Letter of Intent by and among the Village of Chatham, the Village of Loami, and the Village of New Berlin, a copy of which is attached hereto, is hereby approved.

**SECTION 2:** The President is authorized and directed to execute said Letter of Intent on behalf of the Village, and the proper officers of the Village are directed to carry out the Letter of Intent by its terms.

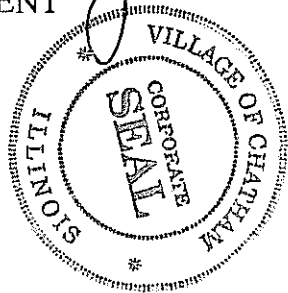
**SECTION 3:** This Ordinance is effective immediately.

PASSED this 9 day of OCTOBER, 2007.

Thomas Gray  
VILLAGE PRESIDENT

ATTEST:

Pat Schaefer  
Village Clerk



AYES: SHERR SCHATTENMAN REYNOLDS MCGRATH KAUNAGH  
NAYS: 0  
PASSED: 10-9-07  
APPROVED: 10-9-07  
ABSENT: 1 Boyle

**ORDINANCE CERTIFICATE**

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF SANGAMON        )

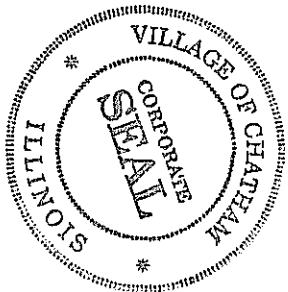
I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 07- 60 adopted by the President and Board of Trustees of said Village on the 9 day of OCTOBER, 2007, said Ordinance being entitled:

**AN ORDINANCE APPROVING A LETTER OF INTENT**

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 9 day of OCTOBER 2007.



Pat Schul  
Village Clerk

## LETTER OF INTENT

This Letter of Intent is by and among the Village of Chatham, Illinois ("Chatham"), the Village of Loami, Illinois ("Loami"), and the Village of New Berlin, Illinois ("New Berlin"), all Illinois municipalities located in Sangamon County, Illinois, and is effective November 1, 2007.

WHEREAS, Chatham is in the process of designing and providing for financing of a water treatment plant and transmission line to serve the Village of Chatham and other wholesale and retail customers with a long-term, reliable supply of potable water;

WHEREAS, the City of Springfield currently supplies water to Loami via a water transmission line between Chatham and Loami which is owned and operated by Chatham and Loami;

WHEREAS, New Berlin has a water production plant which, according to the Illinois Environmental Protection Agency, has significant problems, and consequently, New Berlin desires to find an alternative long-term source of water supply and to decommission its water treatment plant;

WHEREAS, Chatham desires to become New Berlin's source of wholesale water supply and New Berlin desires to be supplied by Chatham;

WHEREAS, New Berlin desires to construct a water transmission line between New Berlin and Loami, whereby water to be supplied to New Berlin by Chatham would be delivered to New Berlin through Loami;

WHEREAS, the parties intend to negotiate contracts between and among each other reflecting the foregoing.

NOW, THEREFORE, the parties agree as follows:

1. The parties agree to enter into good faith negotiations between and among each other to provide for the following:

a. A wholesale water contract whereby Chatham will supply New Berlin with water on an all-requirements basis for a term of not less than the term of the bonds required to finance the Chatham water treatment plant.

b. A contract between Loami and New Berlin whereby New Berlin may construct at its sole cost a water transmission line and associated pumps from a point of origin located in Loami to a point of delivery located in New Berlin. The lines and works shall be located along such routes and in such places as shall be specified by such contract, and shall provide that New Berlin shall bear the entire cost of the line and any increased O & M costs to Loami. It shall further provide that routing of water from Chatham to New Berlin through Loami will be at no cost to Loami, and that Loami will provide the necessary easements and rights of way through its streets for such purposes at no cost to New Berlin. The contract shall further provide for allocation between Loami and New Berlin of extraterritorial customers and for ownership and maintenance of the line and works.

c. An agreement among Chatham, New Berlin and Loami pursuant to which Chatham may wheel water destined for New Berlin with no wheeling charges.

2. The parties anticipate that the contracts set forth in paragraph 1, if successfully negotiated, would provide for Chatham to commence serving New Berlin some time in 2009.

3. This instrument is a Letter of Intent only and is not itself a binding contract. If the parties are unable to negotiate the contracts set forth in paragraph 2 by March 1, 2008, then this Letter of Intent shall expire. Similarly, any party may terminate this Letter of Intent at any time by written notice to the other two parties. Upon expiration or termination, no party shall have further obligations to any other party.

4. This Letter of Intent shall be effective when it is approved by Ordinance of each municipality and signed by the Village President thereof.

VILLAGE OF CHATHAM, ILLINOIS,

By: Thomas Gray  
Tom Gray, Village President

VILLAGE OF LOAMI, ILLINOIS,

By: \_\_\_\_\_  
Alan Mann, Village President

VILLAGE OF NEW BERLIN, ILLINOIS,

By: \_\_\_\_\_  
Stephen Frank, Village President