

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF JOLIET and THE SOUTHEAST JOLIET SANITARY DISTRICT**

THIS AGREEMENT is made by and between the CITY OF JOLIET, an Illinois home-rule municipality, acting by and through its City Council hereinafter referred to as “City” and the SOUTHEAST JOLIET SANITARY DISTRICT, an Illinois sanitary district established pursuant to the Sanitary District Act of 1936 and judicial decree of the Circuit Court of the Twelfth Judicial Circuit, Will County, Illinois, in case no. 82 MC 4, dated April 21, 1983, acting by and through its Board of Trustees, hereinafter referred to as “District,” for the purpose of emergency aid and other work in anticipation of the future transfer of the District’s water and sewer systems to the City.

RECITALS

WHEREAS, the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) provides that any power or powers, privileges or authority exercised or which may be exercised by a public agency of this State may be exercised and enjoyed jointly with any other public agency of this State; and

WHEREAS, the City and the District are public agencies as that term is defined in the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*); and

WHEREAS, Article VII, Section 10 of the Constitution of the State of Illinois of 1970 provides that units of local government may contract or otherwise associate among themselves to obtain or share services and to exercise, combine or transfer any power or function in any manner not prohibited by law or by ordinance; and

WHEREAS, the District owns, maintains and operates a water distribution and sanitary sewer collection system (“District’s water and sewer systems”) serving the neighborhoods comprising the District (“District’s customers”) pursuant to the Sanitary District Act of 1936 (70 ILCS 2805/0.1 *et seq.*); and

WHEREAS, it is the intent of the District to transfer the District’s water and sewer systems to the City on February 1, 2026 per the proposed Intergovernmental Agreement to be executed in January 2026 between the City, District, and County of Will (“County”) attached as Exhibit A, in accordance with Illinois House Bill 663, which becomes effective January 1, 2026. It is anticipated that the District’s Board will vote to dissolve the District as the District is unable to continue to operate in a fiscally responsible manner without incurring significant debt, is unable to provide for much needed infrastructure improvements, may soon be unable to continue to guarantee the continued, efficient, stable delivery of safe drinking water to its residents, and does not desire to sell its systems to a private operator; and

WHEREAS, the District may be in need of assistance during water and sewer system emergencies prior to February 1, 2026; and

WHEREAS, the City operates a water treatment and distribution system and sanitary sewer collection and treatment system (“City water and sewer systems”) for the City’s customers; and

WHEREAS, it is the intent of the City to take over the ownership, operation, and maintenance of the District’s water and sewer systems on February 1, 2026 per the proposed Intergovernmental Agreement; and

WHEREAS, the City has the staff and equipment to be able to provide emergency aid to the District for the District’s water and sewer systems during the term of this Agreement to assist the District in continuing to provide water and sewer services to the District’s customers should the District not be able to do so on its own; and

WHEREAS, the City intends to begin implementation of the Capital Improvement Plan provided for in the proposed Intergovernmental Agreement; and

WHEREAS, the County has committed to assisting with the transfer of the District’s water and sewer systems while providing financial support for completion of required upgrades, in accordance with County Resolution 25-144 and designated ARPA funding allocated to the City by the County.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth and other good and valuable consideration, receipt of which is hereby acknowledged, and pursuant to the powers of intergovernmental cooperation, it is agreed by and between the parties hereto as follows:

Section 1. Recitals. The recitals herein above set forth are hereby incorporated in this Paragraph 1 as if said recitals were fully set forth herein.

Section 2. Obligations and Responsibilities.

A. Upon the Effective Date of this Agreement, the District shall:

- 1) Remain responsible for the maintenance, operation, and billing of its water and sewer systems during the term of this Agreement.
- 2) Provide the City access to the District’s water and sewer systems for inspection, testing, and repairs.
- 3) Cooperate with the City in its efforts to prepare for the transfer of the District’s water and sewer systems to the City.

B. Upon the Effective Date of this Agreement, the City shall:

- 1) Provide emergency aid, if available, to the District’s water and sewer systems during the term of this Agreement.

- 2) Begin implementation of the Capital Improvement Plan provided for in the proposed Intergovernmental Agreement to be reimbursed by the County.
- 3) Cooperate with the District in its efforts to prepare for the transfer of the District's water and sewer systems to the City.

Section 3. Access. The District shall provide the City with access to its water and sewer infrastructure as may be necessary to effectuate the terms of this Agreement.

Section 4. Severability. Each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by, or held to be invalid under, applicable law, such provision shall be ineffective solely to the extent of such prohibition or invalidity, and this shall not invalidate the remainder of such provision or any other provision of this Agreement.

Section 5. District Indemnification of the City. The District shall indemnify and hold harmless the City, and their elected officials, officers, agents, and employees, with respect to any claim or loss, including, but not limited to, attorney's fees, costs and expenses of litigation, claims and judgments in connection with any and all claims for damages of any kind which may arise, either directly or indirectly, out of the acts or omissions of the District, or its officials, officers, agents, employees, consultants, or contractors, as a result of the District's obligations pursuant to this Agreement.

Section 6. City Indemnification of the District. The City shall indemnify and hold harmless the District, and its officials, officers, agents, attorneys, and employees, with respect to any claim or loss, including, but not limited to, attorney's fees, costs and expenses of litigation, claims and judgments in connection with any and all claims for damages of any kind which may arise, either directly or indirectly, out of the acts or omissions of the City, or its elected officials, officers, agents, employees, consultants, or contractors, as a result of the City's obligations pursuant to this Agreement.

Section 7. Rights and Privileges of the City's Employees. Whenever the City's employees are working on the District's water and sewer systems pursuant to this Agreement, such employees shall retain the same powers, duties, immunities, and privileges they would ordinarily possess if performing their duties for the City.

Section 8. Insurance. The District and the City shall bear the risk of liability for its agency and its agency's employees' acts and omissions and shall determine for itself what amount of insurance it should carry, if any. Each Party understands and agrees that any insurance coverage obtained shall in no way limit that Party's responsibility under this Agreement to indemnify and hold the other Parties to this Agreement harmless from such liability.

Section 9. Non-Liability for Failure to Render Assistance. The rendering of assistance under the terms of this Agreement shall not be mandatory if local conditions of the City prohibit response. It is the responsibility of the City to immediately notify the District of the City's inability to provide assistance; however, failure to immediately notify the District of such inability to

provide assistance shall not constitute evidence of noncompliance with the terms of this section and no liability may be assigned.

No liability of any kind or nature shall be attributed to or be assumed, whether expressly or implied, by a party hereto, its duly authorized agents and personnel, for failure or refusal to provide emergency assistance. Nor shall there be any liability of the City for withdrawal of assistance once provided pursuant to the terms of this Agreement.

Section 10. No Waiver of Tort Immunity Defenses. Nothing contained in Sections 5 and 6 above, or in any other provision of this Agreement, is intended to constitute, nor shall it constitute, a waiver of the defenses available to either of the Parties under the Illinois Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 *et seq.*) with respect to claims by third parties.

Section 11. Entire Agreement. This Agreement is the sole and exclusive statement of the understandings and agreements of the parties with respect to its subject matter. No provision of this Agreement may be modified, waived or amended except by a written instrument executed by the parties hereto.

Section 12. Attorneys Fees. In the event an action, lawsuit, or proceeding, including appeal therefrom, is brought for failure to fulfill or comply with any of the terms of this Agreement, each party shall be responsible for their own attorney fees, expenses, costs, and disbursements for said action, lawsuit, proceeding, or appeal.

Section 13. No Waiver. The failure by any party to enforce any provision of this Agreement shall not constitute a waiver by that party of that provision or of any other provision of this Agreement.

Section 14. Term of Agreement. The term of this Agreement shall be from November 1, 2025 through January 31, 2026.

Section 15. Effective Date. This Agreement shall be deemed dated and become effective on November 1, 2025.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have executed this Agreement as of the day and year set forth below.

SOUTHEAST JOLIET SANITARY DISTRICT

By:_____

Date:_____

Name: Neal Carson

Title: Vice President

ATTEST:_____

Date:_____

Name: Devin Luckett

Title: Secretary

CITY OF JOLIET

By:_____

Date:_____

Name: H. Elizabeth Beatty

Title: City Manager

ATTEST:_____

Date:_____

Name: Lauren O'Hara

Title: City Clerk

EXHIBIT A

INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF JOLIET, THE SOUTHEAST JOLIET SANITARY DISTRICT, AND THE COUNTY OF WILL

THIS AGREEMENT is made by and between the CITY OF JOLIET, an Illinois home-rule municipality, acting by and through its City Council hereinafter referred to as “City”; the SOUTHEAST JOLIET SANITARY DISTRICT, an Illinois sanitary district established pursuant to the Sanitary District Act of 1936 and judicial decree of the Circuit Court of the Twelfth Judicial Circuit, Will County, Illinois, in case no. 82 MC 4, dated April 21, 1983, acting by and through its Board of Trustees, hereinafter referred to as “District”; and the COUNTY OF WILL, a body corporate and politic, acting through its County Board members hereinafter referred to as “County”, for the purpose of the transfer of the District’s water and sewer systems.

RECITALS

WHEREAS, the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*) provides that any power or powers, privileges or authority exercised or which may be exercised by a public agency of this State may be exercised and enjoyed jointly with any other public agency of this State; and

WHEREAS, the City, the District, and the County are public agencies as that term is defined in the Intergovernmental Cooperation Act (5 ILCS 220/1 *et seq.*); and

WHEREAS, Article VII, Section 10 of the Constitution of the State of Illinois of 1970 provides that units of local government may contract or otherwise associate among themselves to obtain or share services and to exercise, combine or transfer any power or function in any manner not prohibited by law or by ordinance; and

WHEREAS, the District maintains and operates a water distribution and sanitary sewer collection system (“District’s water and sewer systems”) serving the neighborhoods comprising the District (“District’s customers”) pursuant to the Sanitary District Act of 1936 (70 ILCS 2805/0.1 *et seq.*); and

WHEREAS, the District currently owns the water and sewer systems, and the District’s wastewater system flows to the City of Joliet wastewater treatment plants; and

WHEREAS, it is in the best interests of the customers of the District that the District’s water and sewer systems be transferred to the City, based on the District’s Board’s determination that the District should be dissolved as the District is unable to continue to operate in a fiscally responsible manner without incurring significant debt, is unable to provide for much needed infrastructure improvements, may soon be unable to continue to guarantee the continued, efficient, stable delivery of safe drinking water to its residents, and does not desire to sell its systems to a private operator; and

WHEREAS, the City operates a water treatment and distribution system and sanitary sewer collection and treatment system (“City water and sewer systems”) for the City’s customers and can efficiently add additional customers for the benefit of the customers of the District; and

WHEREAS, the County is committed to assisting with the transfer of the District’s water and sewer systems while providing financial support for completion of required upgrades; and

WHEREAS, the City has agreed to take over the ownership, operation, and maintenance of the District’s water and sewer systems.

WHEREAS, the Sanitary District Act of 1936, (70 ILCS 2805/33) as amended, authorizes the dissolution of the District and transfer of all District assets, liabilities, and responsibilities; and

WHEREAS, it is agreed the City assumes all assets and responsibilities of the District except for those assets deemed by the City to be unnecessary for continued operation of the District’s water and sewer systems, and

WHEREAS, it is agreed that the County assumes all liabilities as described in the attached Exhibit A and accepts transfer of all assets deemed by the City to be unnecessary for continued operation of the District’s water and sewer systems; and

WHEREAS, the City is willing and able to service the District’s customers and will handle the water and sewer systems billing and other water and sewer responsibilities for the District’s customers; and

WHEREAS, the District is authorized to transfer the District’s water and sewer systems to the City pursuant to 70 ILCS 2805/33(d) of the Sanitary District Act of 1936 and 50 ILCS 605/0.01 *et seq.* of the Illinois Local Government Property Transfer Act; and

WHEREAS, the City, the District, and the County in order to facilitate the transfer of assets, liabilities, and responsibilities of the District, desire to further define the rights and obligations of each Party.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth and other good and valuable consideration, receipt of which is hereby acknowledged, and pursuant to the powers of intergovernmental cooperation, it is agreed by and between the parties hereto as follows:

Section 1. Recitals. The recitals herein above set forth are hereby incorporated in this Paragraph 1 as if said recitals were fully set forth herein.

Section 2. Obligations and Responsibilities.

A. Upon the Effective Date of this Agreement, the District shall:

1. Transfer ownership and all operations of the District's water and sewer systems as outlined below, including but not limited to four (4) parcels of real estate (PINs of 30-07-27-100-007-0000; 30-07-27-100-003-0000; 30-07-21-403-018-0000; and 30-07-28-214-010-0000), one lift station and a sanitary sewer collection system, one active well, one water tower and a potable water distribution system, and all appurtenances thereto as well as miscellaneous assets, equipment, and tools, operated by the District:
 - a. To the City:
1607 Moore Ave, Joliet, IL 60433 (30-07-27-100-007-0000), Water Tower on Moore Ave, Joliet, IL 60433 (30-07-27-100-003-0000), operational assets, one (1) lift station, one (1) sanitary sewer collection system, one (1) active well, one (1) water tower, one (1) potable water distribution system, all appurtenances and miscellaneous assets, equipment, and tools.
 - b. To the County:
Vacant Ontario St, Joliet, IL 60436 (30-07-21-403-018-0000), 250 Zurich Rd, Joliet, IL 60436 (30-07-28-214-010-0000)
 2. Transfer all interests in rights-of-way and easements necessary to execute the obligations of this Agreement to the City.
 3. Pay, to the best of its abilities, any outstanding debts and obligations due at the time of transfer.
 4. Provide all documents relating to the District's water and sewer systems, including but not limited to customers, customer lists and billing records and maps, studies, investigations and drawings of the District's water and sewer systems, to the City.
 5. Have no further obligations whatsoever for the management and/or operation of the District's water and sewer systems being transferred or have any further responsibilities to the customers it has served prior and up to the Effective Date of this Agreement.
- B. Upon the Effective Date of this Agreement, the City:
1. Shall accept the transfer of the District's water and sewer systems and assume all assets and responsibilities, including costs and billing residents, for the District's water and sewer systems servicing the District's neighborhoods and District's customers.
 2. Shall coordinate with the County and undertake certain water and sewer system improvements in accordance with the attached improvement plan. See Exhibit B.
 3. Shall have ownership of, and responsibility to operate and maintain a water distribution and sanitary sewer collection system in unincorporated Joliet Township without annexation of such area as defined on Exhibit C.
 4. Deems unnecessary for continued operation of the District's water and sewer systems the following real estate of the District: Vacant Ontario St, Joliet, IL 60436 (30-07-21-403-018-0000) and 250 Zurich Rd, Joliet, IL 60436 (30-07-28-214-010-0000).
 5. Assist the County as needed with providing technical information that may be needed to complete grant applications.

C. Upon the Effective Date of this Agreement, the County shall:

1. Support the City's water and sewer systems improvements for the District's customers, including the South Ridge Mobile Home Community.
2. Assume all then existing liabilities of the District as of the Effective Date.
3. Accept the transfer of real estate (specifically, Vacant Ontario St, Joliet, IL 60436 (30-07-21-403-018-0000) and 250 Zurich Rd, Joliet, IL 60436 (30-07-28-214-010-0000)) deemed by the City to be unnecessary for continued operation of the District's water and sewer systems.
4. Fund the cost of improvements identified on the improvement plan in Exhibit B through various funding mechanisms including but not limited to Community Development Block Grant Funding (CDBG), American Rescue Plan Act (ARPA) funding, and additional grant opportunities over a span of ten (10) years as shown below.

CDBG	\$ 3,000,000	19%
ARPA	\$ 4,025,046	26%
Federal	\$ 500,000	3%
Local	\$ 8,160,239	52%
Total	\$ 15,685,285	

D. District customers, as defined on Exhibit C, are not required to annex into the City to receive water and sewer services and shall be under the same obligations as existing non-resident customers, which includes the authority of the City to disconnect services for non-payment.

E. The City will charge the existing District's customers a reduced connection fee of \$500.00 for those existing customers for which the connection fee is due. Any new customers will be billed at the current City water and sewer connection fees at the time of connection. All connection fees will be collected and received by the City.

F. The District shall retain all authority, rights and abilities to pursue recovery of any debts or amounts due and owing to the District until the Effective Date. Upon the Effective Date, the City shall then have the authority, rights and abilities described in this paragraph.

Section 3. Access. Prior to the Effective Date, the District shall provide the City with access to its water and sewer infrastructures as may be necessary to effectuate the terms of this Agreement.

Section 4. Severability. Each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement

shall be prohibited by, or held to be invalid under, applicable law, such provision shall be ineffective solely to the extent of such prohibition or invalidity, and this shall not invalidate the remainder of such provision or any other provision of this Agreement.

Section 5. District Indemnification of the City and County. The District shall indemnify and hold harmless the City and County, and their elected officials, officers, agents, and employees, with respect to any claim or loss, including, but not limited to, attorney's fees, costs and expenses of litigation, claims and judgments in connection with any and all claims for damages of any kind which may arise, either directly or indirectly, out of the acts or omissions of the District, or its officials, officers, agents, employees, consultants, or contractors, as a result of the District's obligations pursuant to this Agreement.

Section 6. City and County Indemnification of the District. The City and County shall indemnify and hold harmless the District, and its officials, officers, agents, attorneys, and employees, with respect to any claim or loss, including, but not limited to, attorney's fees, costs and expenses of litigation, claims and judgments in connection with any and all claims for damages of any kind which may arise, either directly or indirectly, out of the acts or omissions of the City and the County, or its elected officials, officers, agents, employees, consultants, or contractors, as a result of the City or County's obligations pursuant to this Agreement.

Section 7. City and County Mutual Indemnification. The City and County shall indemnify and hold harmless the other's officials, officers, agents, attorneys, and employees, with respect to any claim or loss, including, but not limited to, attorney's fees, costs and expenses of litigation, claims and judgments in connection with any and all claims for damages of any kind which may arise, either directly or indirectly, out of the acts or omissions of the other, or its elected officials, officers, agents, employees, consultants, or contractors, as a result of its obligations pursuant to this Agreement.

Section 8. No Waiver of Tort Immunity Defenses. Nothing contained in Sections 5 and 6 above, or in any other provision of this Agreement, is intended to constitute, nor shall it constitute, a waiver of the defenses available to either of the Parties under the Illinois Local Governmental and Governmental Employees Tort Immunity Act (745 ILCS 10/1-101 *et seq.*) with respect to claims by third parties.

Section 9. Entire Agreement. This Agreement is the sole and exclusive statement of the understandings and agreements of the parties with respect to its subject matter. No provision of this Agreement may be modified, waived or amended except by a written instrument executed by the parties hereto.

Section 10. Attorneys Fees. In the event an action, lawsuit, or proceeding, including appeal therefrom, is brought for failure to fulfill or comply with any of the terms of this Agreement, each party shall be responsible for their own attorney fees, expenses, costs, and disbursements for said action, lawsuit, proceeding, or appeal.

Section 11. No Waiver. The failure by any party to enforce any provision of this Agreement shall not constitute a waiver by that party of that provision or of any other provision of this Agreement.

Section 12. Effective Date. This Agreement shall be deemed dated and become effective on February 1, 2026.

IN WITNESS WHEREOF, authorized representatives of the parties hereto have executed this Agreement as of the day and year set forth below.

SOUTHEAST JOLIET SANITARY DISTRICT

By: _____

Date: _____

Name: Jimmy Kirkland

Title: President

ATTEST: _____

Date: _____

Name: Devin Luckett

Title: Secretary

CITY OF JOLIET

By:_____

Date:_____

Name: H. Elizabeth Beatty

Title: City Manager

ATTEST:_____

Date:_____

Name: Lauren O'Hara

Title: City Clerk

DRAFT

COUNTY OF WILL

By:_____

Date:_____

Name: Jennifer Bertino-Tarrant

Title: Will County Executive

ATTEST:_____

Date:_____

Name: Annette Parker

Title: Will County Clerk

DRAFT