

Ordinance No. 15 -05

**AN ORDINANCE APPROVING AN OPERATIONS AND MAINTENANCE
AGREEMENT WITH WOODARD & CURRAN**

BE IT ORDAINED BY THE SOUTH SANGAMON WATER COMMISSION, AS FOLLOWS:

SECTION 1: That Operations and Maintenance Agreement between Woodard & Curran and the South Sangamon Water Commission, a copy of which is attached hereto, is hereby approved.

SECTION 2: The Chairman of the Commission is authorized and directed to approve said agreement on behalf of the Commission, and the proper officers of the Commission are authorized and directed to carry out the agreement by its terms.

SECTION 3: This Ordinance is effective immediately.

PASSED this 21 day of April, 2015.


CHAIRMAN

ATTEST:


Clerk

AYES: Hall Sander Burke

NAYES: none

PASSED: April 21, 2015

APPROVED: April 21, 2015

ABSENT: none

“Proprietary and Confidential Document”



OPERATIONS AND MAINTENANCE AGREEMENT

Dated:

May 1, 2015

**South Sangamon Water Commission
And
Woodard & Curran**

Contract Operations and Maintenance Agreement

This Agreement describes mutual responsibilities, overall objectives, and performance expectations of the operational partnership entered into here by Woodard & Curran Inc. (W&C), a Maine corporation, whose Principal Place of Business is based at 41 Hutchins Drive, Portland, ME 04102, Tax I.D. No. 01-0363222, and The South Sangamon Water Commission, (the Client), a corporation, whose address is 9199 Buckhart Road, Rochester, IL 62563 and its successors and assigns.

RECITALS

WHEREAS, the Client is the owner of a water treatment system (the Facility) that is described in Exhibit A to this Agreement; and,

WHEREAS, the Client desires to engage W&C to operate and maintain the Facility on behalf of the Client and W&C desires to accept such engagement, all upon the terms and conditions hereafter set forth; and

WHEREAS, W&C is experienced and capable of providing certain operation and maintenance services for the Facility; and

WHEREAS, the Client is authorized by law to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

ARTICLE I - RESPONSIBILITIES OF WOODARD & CURRAN

1.01 Commencing on May 1, 2015, or such other mutually acceptable date agreed to in writing between W&C and the Client (the "Effective date"), W&C will provide all routine operation and maintenance of the Client's Facility (as described in Exhibit B of the Agreement- "Woodard & Curran Scope of Services") on a seven day per week basis within the design capabilities of the Facility. Basic Design Data is provided in Exhibit A to this Agreement ("Design Capabilities for Water Treatment Facility")

1.02 W&C shall communicate with the designated Client liaison as described in Article 2.01 (g) of this Agreement, regarding decisions and other matters related to the operation of the Facility. In addition, W&C shall advise the Client and serve as the Client's liaison to regulatory agencies and consumers in matters related to the operation of the Facility.

1.03. Additional operation and maintenance services not considered routine (as listed in Exhibit B of the Agreement), or which are required as a result of an "Act of God" or force majeure, including but not limited to flood, abnormal weather conditions, natural catastrophes, fire, civil disturbance, terrorism, interruption of electric or other utility service, equipment failure or equipment deficiency due to design defect or failure of Client to make necessary investments in the equipment are not covered within the scope of this Agreement and W&C shall be excused from any performance due to Force Majeure. If requested and practicable, W&C will assist the Client in obtaining or providing the operation and maintenance so required and W&C will be paid for such assistance in accordance with Article III, Compensation of this Agreement. W&C shall make reasonable efforts to secure the Facilities at appropriate times, within the limits of the security devices provided by the Client, to protect against vandalism and intrusion. To the extent possible, W&C shall keep buildings and gates locked and will have on-site staff coordinate with public safety officials on behalf of client with respect to security for buildings and property, in so doing making reasonable efforts to prevent break-ins and vandalism. W&C shall rely on client's security and public safety staff for ultimate control and responsibility for the security of property and equipment.

ARTICLE II - RESPONSIBILITIES OF THE CLIENT

2.01 As part of this Agreement, the Client agrees to assume the following responsibilities:

- (a) Client shall maintain in full force and effect, in accordance with its respective terms, all guarantees, warranties, easements, permits, licenses, and other similar approvals and consents received or granted to the Client as Owner of the Facility and component parts thereof;
- (b) The Client will be responsible for payment of capital costs as described in Exhibit B, 4.b. Client shall also be responsible for expenditures for any capital repairs or replacement required as the result of a W&C health & safety inspection; W&C will provide justification and review of the related factors for such expenditure.
- (c) Client shall at all times provide access to the Facility for W&C, its agents and employees and shall assure that security and public safety officials responsible for the community and area coordinate their activities and patrols to protect personnel and property on-site;
- (d) Client shall provide W&C with the use of all existing equipment and associated parts currently in stock owned by the Client, necessary for the operation and maintenance of the Facility;
- (e) Client shall be responsible for damage and liability to the Facility or components thereof and public health caused by flood, fire, Acts of God or other Force Majeure, civil disturbance, terrorism or misuse of property, except for misuse of the property by W&C;
- (f) Client shall be responsible for all fines imposed for process upsets and violations of water quality standards attributable to the operation and maintenance of the Facility to the extent outside W&C's responsibility as set forth in Exhibit B, Item 1;
- (g) Client shall designate an individual to act as authorized representative overseeing W&C in connection with the performance of services by W&C under this Agreement;
- (h) Client shall provide all criteria and full information as to the Client's requirements for W&C's services, including without limitation, objectives, constraints, standards or budgets including any limitations thereof;
- (i) Client shall give prompt written notice to W&C whenever the Client observes or otherwise becomes aware of any development that affects the scope or timing of W&C's services or any failure of W&C to perform in accordance with the terms and conditions of the Agreement;
- (j) Client shall be responsible for all fines imposed by OSHA for any capital repairs or replacement related to health & safety not made in accordance with Part (b) of this Article 2.01;

2.02 Client will purchase and maintain at its sole expense property and structure liability insurance and flood and fire insurance policies, including extended coverage, plus coverage for vandalism and malicious mischief for the full and insurable value of the facilities and insurance for bodily injury or death to the Client's employees, agents or invitees. In addition, the Client will name W&C as additionally insured on the above policies. Client and W&C waive all rights against each other and any persons for organizations for which either is responsible for bodily injury, death, or property damages to the extent covered by the insurance's maintained by each party pursuant to this Article or other applicable insurance, except such rights as they have to proceeds of such insurance held by the Client as fiduciary. This waiver of subrogation shall be effective as to a person or entity even though that person or entity did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest.

2.03 Client agrees to compensate W&C in a timely way as provided in Article III, Compensation.

ARTICLE III - COMPENSATION

3.01 Compensation to W&C for services performed shall be the Cost-Plus-Fixed Fee Method as described herein.

- a. Cost Component.** During the first twelve months of this Agreement, the Client shall pay W&C, as compensation for the Cost Component of the W&C Services (Exhibit B), an estimated Annual Budget of **\$830,579**(Exhibit C), adjusted as detailed in Section 3.01 c. below covering the period of May 1, 2015 through April 30, 2016. The Cost Component shall be Direct Salary & Benefits Costs, Overhead Costs, Chemicals Costs, Maintenance and Repair Costs (as described in Article 3.01(f-1), Laboratory Costs, Brine Removal and Disposal Costs, Miscellaneous Office Supplies, Miscellaneous Office Equipment, Utility Costs, and Other Operating Costs defined in scope of work description in Exhibit B. The Cost Component will be negotiated annually as part of a budget review session. The initial Cost Component for the first year of the contract is outlined in Exhibit C, and shall be payable in equal monthly installments, subject to further annual adjustments as specified below. Monthly payments are due, in advance, no later than tenth day of the month to which such payment relates. Late payments shall accrue interest at the then current prime rate plus two (2%) percent per annum on the unpaid balance.
- b. Fixed Fee Component.** During the first twelve months of this Agreement, the Client shall pay W&C, as compensation for the Fixed Fee Component of the W&C Services (Exhibit B), an estimated Annual Budget of **\$83,058** (Exhibit C), adjusted as detailed in Section 3.01 c. below covering the period of May 1, 2015 through April 30, 2016. During the year, the Client shall pay W&C a Fixed Fee, as set forth in the approved Annual Budget (Exhibit C). In subsequent years, the fixed Fee shall be ten percent (10.0%) of the sum of the Cost Component plus any additional costs payable to W&C hereunder. The Fixed Fee is subject to review or modification only as otherwise provided in this Agreement. The Fixed Fee for the Agreement will be due to W&C payable in equal monthly amounts. Monthly payments are due, in advance, no later than the tenth day of the month to which such payment relates. Late payments shall accrue interest at the then current prime rate plus two (2%) percent per annum on the unpaid balance.
- c. Transition Cost Component.** During the first three years of the Agreement, the client shall pay W&C, as compensation for the Transition Cost of the W&C Services (Exhibit B), an estimated Annual Budget of **\$16,389** as detailed in Exhibit C. The transition cost is subject to review or modification only as otherwise provided in this Agreement. The transition cost for the Agreement will be due to W&C payable in equal monthly amounts. Monthly payments are due, in advance, no later than the tenth day of the month to which such payment relates. Late payments shall accrue interest at the then current prime rate plus two (2%) percent per annum on the unpaid balance. If the Agreement is terminated prior to the 3 years, the remaining portion of the transition costs will be paid to W&C as a lump sum payment for the remaining amount.
- d. Annual Adjustments.** By the date of execution of this Agreement and by each February thereafter, an Annual Budget, as defined in Exhibit C, including all costs plus W&C's Fixed Fee will be negotiated. Negotiations shall begin and an initial budget shall be submitted by February of each year and finalized by April 30th each year of the contract. This method will enable Client and W&C to evaluate any deficiencies and/or changes in Scope of Services to establish the new Annual Budget in each successive year of the Agreement. If negotiations have not been completed prior to a contract year, the Annual Budget including Fixed Fee should be set at one hundred percent (100%) of the previous Annual Budget including Fixed Fee on a preliminary basis until negotiations are completed and the Annual Budget including Fixed Fee is adjusted, and credits made for any differences between the one-hundred percent (100%) amount and the Annual Cost Budget including Fixed Fee agreed upon within thirty (30) days after the Annual Budget is approved.
- e. Adjustments Based on Increased Operating Costs.** In the event that any changes in the scope of the operations of, or regulations applicable to, the Facility shall occur from and after the Effective Date, including, but not limited to, changes in governmental regulations or reporting requirements, effluent quality standards, monitoring requirements, level of treatment, personnel qualifications, staffing rules or changes in the scope of the W&C Services (as set forth in Exhibit B) which increase or decrease the cost of operating the Facility, then, in that event, the Client shall provide for an increase or decrease in the W&C Compensation, as reasonably determined by W&C and agreed to by the Client, retroactive to the date of such notification by

W&C (which shall include a reasonably detailed explanation for the increase to the W&C Compensation).

f. Maintenance and Repair Costs.

f-1. Costs up to \$5,000. W&C shall pay the costs of all individual repair parts, maintenance materials, supplies and outside maintenance service items (collectively, "M&R Items") under \$5,000 per event, excluding W&C labor costs, during the term of this Agreement. The annual budget for such M&R Items costing less than \$5,000 is included in the annual fees to be paid to W&C and is initially established at **\$100,900**. This budget will be negotiated annually and upon any such change, a like amount change will be made to the W&C Compensation. Any amount less than the established threshold not expended by W&C for maintenance during a given contract year shall be reimbursed to the Client in full within sixty (60) days of the end of the contract year. During any contract year, amounts expended by W&C which aggregate to a total greater than the benchmark for maintenance and repair items will be reimbursed to W&C by the Client. M&R expense items will be tracked monthly and communicated directly with the client. Meetings between W&C and the Client will occur to develop a strategy as the annual M&R budget approaches the benchmark as outlined in Exhibit C. The Client shall approve in advance and pay for M&R Items that exceed the annual budget.

f-2. Costs \$5,000 and above. Any M&R Item which costs in excess of \$5,000 per event, excluding W&C labor costs, shall be approved by the Client and paid for in its entirety directly by the Client. Notwithstanding anything to the contrary in this Section 3.01f, W&C shall have the right, in emergency situations, to authorize the expenditure of monies for M&R Items where the failure to do so would have an adverse effect, as determined by W&C, on employee safety, the Facility or the Client Equipment.

3.02 In the event that the Annual Budget less the M&R is exceeded in any given contract year, excluding the reasons listed above within Article III, Section 3.01 (f), the amount exceeded shall be the responsibility of the Client settled at the end of the then current contract year.

3.03 W&C shall submit the following to the Client each month: (1) a detailed accounting of actual costs for the preceding month, (2) a detailed accounting of actual costs versus budget year to date, and (3) overtime justification. At year's end, W&C shall submit a final detail of costs versus budget, including a month-by-month tabulation for the contract year ending in March of each contract year subject to audit by client.

3.04 Contingency or Out-Of-Scope Services includes funds for projects and services that have not been included elsewhere in the annual budget and are not clearly defined. Expenditures under this category will need prior written approval by the Client. A Fixed Fee rate of 5% will be added to all Contingency or Out-Of-Scope Services expenses. Contingency or Out-Of-Scope Services expenses will be billed on a monthly basis.

3.05 W&C shall provide a narrative statement, in a Monthly Operating Report (MOR), to the Client on a monthly basis. The MOR shall describe the work accomplished, any problems encountered, and their resolution by W&C during the period by reference to the tasks described in the Scope of Services.

3.06 Invoices received by the Client will be paid as described within Article III Sections 3.01a, and 3.01b. W&C will be notified of any questionable items contained in invoices submitted by W&C within ten (10) days of receipt by the Client with an explanation of the deficiencies. W&C will make every effort to resolve all questionable items contained in the W&C invoice within thirty (30) days of review by the Client. At the end of the thirty (30) day period, the Client shall pay to W&C the invoice amount less any unresolved questionable items. If a dispute on the invoice cannot be resolved by the parties, then the parties shall submit the dispute to a mutually acceptable third party (Facilitator) having expertise in the subject matter of the dispute. The site of the mediation will be in Springfield, IL, unless otherwise mutually agreed between the parties. The expense of the Facilitator would be shared equally by the parties involved in the Dispute. The parties may present evidence or arguments to the Facilitator. This mediation process would involve a minimum of two face-to-face meetings within a sixty (60) calendar day period, beginning on the date of the Facilitator's assignment to the Dispute.

3.07 Any Dispute not resolved by mutual agreement or mediation as described above would be decided by binding arbitration in Springfield, IL, in accordance with the rules of the American Arbitration Association, the award of the arbitrator to be final and binding on the parties.

3.08 Invoices are to be forwarded directly to the following:
For Operations and Maintenance (O&M) Invoices
Client Address:
9199 Buckhart Road
Rochester, IL 62563

3.09 In the event that this Agreement is terminated or canceled, or W&C's services are suspended on this Agreement, prior to completion, payment shall be made in accordance with the provisions of Article V, Termination.

ARTICLE IV - TERM OF AGREEMENT

4.01 This Agreement shall remain in full force and effect for three (3) years from the Effective Date but subject to the condition precedent that the Client appropriates funds sufficient to pay for its obligations under the terms of this Agreement each fiscal year. Nothing herein shall obligate Client to said appropriate funds.

4.02 The term of this Agreement may be extended for consecutive terms as mutually agreed by the Client and W&C as provided in Article 5.05.

ARTICLE V - TERMINATION

5.01 This Agreement may be terminated upon thirty (30) days written notice given by the Client to W&C for default by W&C or in the event a federal or state regulatory agency fines the Client, which fine W&C is required to pay by the terms of Exhibit B (Item 1 below), and in the event of a default by W&C, should W&C fail to appropriately cure the default within an additional thirty (30) day period.

5.02 This Agreement may be terminated upon thirty (30) days written notice given by W&C to the Client for default by the Client and the Client's failure to appropriately cure the default within an additional thirty (30) day period.

5.03 This Agreement may be suspended indefinitely by W&C after forty-five (45) days for non-payment of invoices submitted to Client pursuant to Article 3.07. Failure to provide payment for sixty (60) days shall constitute a default and be subject to the terms stipulated in Article 5.02.

5.04 This Agreement shall be automatically renewed for an additional three (3) year term unless either party notifies the other in writing of its decision to end the Agreement no less than 60 days before the expiration of the then current term.

ARTICLE VI - QUALITY OF PERFORMANCE

6.01 W&C's objective is to provide its clients with quality operational services, consistent with industry standards. To that end, W&C seeks an operational partnership with the Client to achieve a level of performance consistent with industry standards, and expects to be held accountable for delivering performance against such standards. If at any time the Client is less than fully satisfied, this should be communicated to W&C, and if the Client is ultimately not satisfied with W&C's performance, the Client may request a change in the management team overseeing its project.

ARTICLE VII - CHANGES

7.01 Woodard & Curran or the Client may request, respectively, changes in the services authorized under this Agreement which are within the general scope of this Agreement, including without limitation, additional operational and

maintenance services not considered "routine" (for example: construction and installation of capital projects and repairs caused by events outside W&C's control if these cannot be accommodated within normal operational hours and normal expense budgets), changes required by new or revised laws, rules, regulations or code requirements, or new or amended orders of any public authority or court, the happening of Force Majeure including without limitation, flood, fire, act of God, civil disobedience, terrorist acts, or other causes beyond W&C's reasonable control or which result from W&C encountering conditions or circumstances during performance of its services under this Agreement which are materially different from those described or represented by the Client regarding the operational or maintenance characteristics or circumstances of the Facility. These changes may be made only by written work change orders, executed by the Client and W&C, unless accomplished under emergency conditions with verbal authorization.

7.02 In the event changes in the work result in increased work, the Client will pay W&C for hours worked, equipment used, and materials expended in accordance with Articles III, Compensation.

7.03 In an emergency affecting the safety of persons or property, W&C may act, at its discretion, to prevent threatened damage, injury or loss. Any increase in the monthly fee or extension of time claimed by W&C on account of acts taken in connection with such emergency shall be paid to W&C in accordance with Article 7.02 above.

ARTICLE VIII – INSURANCE AND LIMITATIONS

8.01 W&C will provide and maintain at all times during the term of this Agreement the following minimum insurance coverage:

- (a) Workers compensation Insurance in compliance with the statutes of the state of New Hampshire, which has jurisdiction of W&C employees engaged in the performance of services hereunder, to a limit of **FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00)**;
- (b) Comprehensive General Liability Insurance with a minimum combined single limit of **ONE MILLION DOLLARS (\$1,000,000.00)**, including the broad form property damage endorsement; and,
- (c) Automobile Liability Insurance (owned, non-owned, or hired units) minimum combined single coverage limit of **ONE MILLION DOLLARS (\$1,000,000.00)**.
- (d) Errors and omissions coverage under W&C's corporate professional liability insurance, with a minimum coverage of one year's fee, and up to W&C's professional liability insurance limit of **(ONE MILLION DOLLARS (\$1,000,000.00))**.

W&C will furnish the Client with Certificates of Insurance as evidenced that policies providing the required coverage's and limits are in full force and effect. In addition, W&C shall name the Client as additionally insured on the general liability policy and automobile liability policy. Such policies shall provide that no less than thirty (30) days advance notice of cancellation, termination, or alteration shall be sent directly to W&C and the Client.

8.02 Unless covered by insurance carried by W&C pursuant to Article 8.01 of this Agreement, in which case the coverage and limits specified to be maintained shall only apply to such covered liabilities, the aggregate liability of W&C for any and all claims, damages, costs, or expenses, including attorneys' fees resulting from W&C's performance or nonperformance of its obligations under this Agreement, whether based in breach of contract, breach of warranty, tort including negligence, strict liability or otherwise, shall not exceed the total compensation paid for the services out of which the claim or damage, costs, or expense arose, but in no event shall W&C be liable for any consequential or special damages such as loss of profits or revenue, or the loss of use of Client's Facilities or property.

8.03 W&C will supervise all regulatory compliance and financial transactions pertaining to the day-to-day operation of the Facility. Subject to the limitations of this Article, W&C shall operate the Facility in compliance with state and federal regulatory requirements. W&C will pay all fines imposed for process upsets and violation of drinking water standards unless the process upsets or violations are attributable to:

- (a) Flows and raw water quality which are not within the design capabilities of the Facilities, including but not limited to soluble oil, heavy metals, other toxic substances, excessive suspended solids, and excessive organic loadings (see Exhibit A for design flows),
- (b) The malfunction or failure of equipment giving rise to the violation which is not due to the causation of W&C, or
- (c) Failure by the Client to fulfill its obligations under this Agreement or other agreements with regulatory agencies,

ARTICLE IX - INDEMNIFICATION

9.01 W&C agrees to indemnify and hold the Client harmless from any liability, claim, demand or cause of action resulting from bodily injury to or illness or death of any person or destruction or damage to any property to the extent caused by the negligence of W&C or its employees in the performance of the services of this Agreement.

9.02 Client agrees to indemnify and hold W&C harmless from any liability claim, demands or cause of action resulting from bodily injury to or illness or death of, any person or destruction of or damage to any property to the extent caused by the negligence of the Client or its employees.

9.03 In the event that both W&C and the Client are found by a finder of fact to be negligent, and the negligence of both is the proximate cause of the claim, damage, cost or expense, then in such event, each part shall be responsible for the portion of the liability equal to its comparative share of the total negligence.

9.04 Client acknowledges that, in seeking services of W&C in this Agreement, the Client is requesting W&C to undertake uninsurable environmental and other operational obligations for the Client's benefit. Therefore, the Client agrees that, except to the extent such liability may arise solely out of the negligence or misconduct of W&C or its employees and the performance of services under this Agreement, the Client shall defend, indemnify and hold harmless W&C, its officers and employees from and against any and all claims, losses, damages and liabilities, including but not limited to cost of defense and reasonable attorneys' fees, arising under local, state, or federal laws or regulations including but not limited to, the Clean Air Act, the Clean Water Act, CERCLA, RCRA, or analogous state or local laws directly or indirectly connected with the alleged or threatened discharge, dispersal, release, migration of pollutants, contaminants, or chemicals which may be present at or beneath the Facility's premises. Notwithstanding anything to the contrary in this Article, the Client shall not be under obligation to defend or indemnify W&C, its officers or employees from any criminal proceedings, fines, or sanctions unless they are attributable to those causes deemed as exceptions (Exhibit B, Item 1) to W&C's compliance obligations.

ARTICLE X - MISCELLANEOUS

10.01 Any temporary or portable equipment which is provided by W&C during the term of this Agreement and which is not deemed part of the Facility shall remain the property of W&C upon termination of this Contract. W&C shall not make any capital replacements of the Facility or any component thereof without the prior written approval of the Client.

10.02 During the term of this Agreement and for a period of eighteen (18) months after the termination thereof for any reason, the Client shall not directly or indirectly solicit for employment or employ any employee of W&C. Client agrees that if it violates this provision, irreparable harm will occur and money damages alone will be insufficient to compensate W&C. Therefore, in addition to any and all remedies at law, W&C will be entitled to seek injunctive relief, specific performance, or other equitable relief.

10.03 This Agreement represents the entire Agreement of the parties and may only be modified or amended in writing, signed by both parties.

10.04 Written notices required to be given under this Agreement shall be deemed given when mailed by first class mail, to W&C, Attention: Steven F. Niro, Sr. Vice President, and to the Client, Attention: Present Chairman, South Sangamon Water Commission at the addresses set forth for each in the opening paragraph of this Agreement.

10.05 No waiver, discharge, or renunciation of any claim or right of W&C arising out of breach of this Agreement by the Client shall be effective unless signed in writing by W&C and supported by separate consideration.

10.06 This Agreement shall be deemed to have been made in the State of Illinois and shall be governed by and construed in accordance with the laws of the State of Illinois.

10.07 If a dispute arises pursuant to this Agreement and is not resolved by mutual agreement within sixty (60) calendar days and given written notice of the Dispute, a mutually acceptable third party (Facilitator) having expertise in the subject matter of the dispute would be engaged to mediate the Dispute. The expense of the Facilitator would be shared equally by the parties involved in the Dispute. The parties may present evidence or arguments to the Facilitator. This mediation process would involve a minimum of two face-to-face meetings within a sixty (60) calendar day period, beginning on the date of the Facilitator's assignment to the Dispute.

Any Dispute not resolved by mutual agreement or mediation as described above would be decided by binding arbitration in accordance with the rules of the American Arbitration Association, the award of the arbitrator to be final and binding on the parties.

10.08 W&C may not assign this Agreement without the express written consent of the client.

IN WITNESS THEREOF, W&C, by its duly authorized Officer, and the Client, by its duly authorized Administrator, have executed this Agreement as to the date and year first above written.

Attest Laura Van Praegen L.S. By: Teriel Burke L.S.
Teriel Burke
(Printed or Typed Name)
Chairman
(Title)
April 23, 2015
(Date)

Attest Annette Miller L.S. By: Steven F. Niro L.S.
STEVEN F NIRO
(Printed or Typed Name)
SR. VICE PRESIDENT
(Title)
5/11/2015
(Date)

EXHIBIT A

DESIGN CAPABILITIES FOR WATER TREATMENT FACILITY

The Design Capabilities of the Water Treatment System as set forth in the original Donohue Engineering Plans and Specifications for the Facility have been subsequently amended or modified:

Treatment Facility Design Capabilities:

Design Flow

- Monthly Average 1.90 million gallons per day
- Daily Maximum 2.70 million gallons per day*
- Instant Daily Maximum 1,875 gallons per minute*

**Daily Maximum Flow is reduced from the Donohue design basis to account for the Ultrafiltration unit backwash cycles. The backwash cycles equate to 1 bank being offline for 4 hours per day.*

FACILITY DESCRIPTION

Treatment System Components

1. Buildings and Grounds with Treatment Plant Fence Line
2. Water Supply Wells
3. Aeration and Detention
4. Low Service Pumps
5. Ultrafiltration Systems
6. Ion Exchange Softening
7. Clearwell
8. High Service Pumps
9. Chlorination System
10. Hydrofluosilicic Acid System
11. Aqua Ammonia System
12. Polyphosphate System
13. Caustic System
14. Hydrochloric Acid System
15. Sodium Bisulfite System
16. Brine Storage and Pumping
17. Air Compressors & UF Backwash Pumps
18. High Chloride Waste Storage and Pumping
19. Red Water Lagoon System

EXHIBIT B

WOODARD & CURRAN SCOPE OF SERVICES

The Services to be provided by Woodard & Curran during the term of this Agreement shall include and be limited to the following:

1. Facility Operation. W&C shall operate and manage the Facility per requirements established by the governmental authorities having jurisdiction over the Facility and in accordance with the applicable industry standard of care. W&C shall comply with all applicable local, state and federal laws and regulations as they pertain to the Facility to provide that the treated water meets or exceeds the drinking water standards established by the Illinois Environmental Protection Agency (IEPA) under the permits issued to the Client by such authority as long as the raw water does not exceed the design limitations and treatment components set forth in Exhibit A ("Description of Facility and Design Capabilities"). W&C shall pay all fines and fees which may be imposed by the regulatory agency having jurisdiction for water quality violations associated with the permits issued with respect to the Facility; provided, however, that W&C shall have no such obligation in the event that such violations are a result of the Client's negligence or intentional acts or the presence of hazardous or biological toxic substances. In the event the influent does exceed the design limitations set forth on Exhibit A, W&C shall be excused of its fine and penalty obligations, however, shall use commercially reasonable efforts to satisfy its commitments notwithstanding the condition of the influent.

2. Project Management and Staffing. W&C shall staff the Facility with a Facility Manager and operations staff experienced in the areas of water treatment, process control, laboratory analysis and maintenance procedures for water treatment facilities. W&C will supervise all regulatory compliance and financial transactions pertaining to the day-to-day operation of the facility W&C will assure that the Facility is adequately staffed and monitored on a seven day per week basis twenty-four hours per day with a properly certified operator-of-record as required by the permit issued by the IEPA

3. Project Support. W&C shall, as required and determined by W&C, provide on-call, backup expertise in operations, management and maintenance applications to ensure compliance with this Agreement.

4. Repair and Maintenance.

a. Costs up to \$5,000. W&C shall pay the costs of all individual repair parts, maintenance materials, supplies and outside maintenance service items (collectively, "M&R Items") under \$5,000 per event, excluding W&C labor costs, during the term of this Agreement. The annual budget for such M&R Items costing less than \$5,000 is included in the Annual Cost Limitation to be paid to W&C and is initially established at **\$100,900**. This annual budget will be negotiated and agreed to annually and W&C's Fixed Fee shall be adjusted accordingly. The Client shall approve in advance and pay for M&R Items that exceed the annual budget. Such approval and payment shall not be unreasonably withheld.

b. Costs \$5,000 and above. Any M&R Items which are estimated to cost in excess of \$5,000 per event, excluding W&C labor costs, shall be approved in advance by the Client and paid for in its entirety directly by the Client. Notwithstanding anything to the contrary in this Section 7, W&C shall have the right, in emergency situations, to authorize the expenditure of up to \$25,000 (or such additional amounts as authorized in writing by the Client) for M&R Items where the failure to do so would have an adverse effect, as determined by W&C, on safety, the Facility or the Client.

5. Information Systems. W&C shall maintain computer software effective in the management of scheduled and preventive maintenance and process control.

6. Operational Costs and Expenses. W&C shall provide and pay all costs of W&C employees, electricity, natural gas, chemicals, services, spare parts, materials, maintenance, repairs and expendable supplies required in the normal operation and maintenance of the Facility while it is responsible for the operation of the management of the Facility, except to the extent otherwise provided in the Agreement.

7. Corrective Action. In the event that the drinking water quality is not in compliance with regulatory requirements, W&C shall be responsible to implement corrective actions to bring the Facility within compliance consistent with its obligations to operate and manage the Facility as required herein.

8. Hazardous Substance. In the event that any hazardous substance is received at the Facility, W&C shall notify the Client and assist the Client in the removal and/or reduction of such hazardous substance. In the event that any hazardous substance cannot be treated or removed using the processes and equipment provided, W&C shall not be responsible for additional Operational Costs and Expenses until the hazardous substance is removed from the Facility and the Facility is completely recovered. For all purposes of this Exhibit B and the Agreement to which it is attached, "hazardous substance" shall mean (a) any petroleum, petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials or polychlorinated biphenyls; or (b) any chemical, material or substance defined or regulated as hazardous or as a pollutant, contaminant or waste under any statute, law, ordinance, by-law, decree, regulation, code, order, rule or judgment of any governmental authority having the force of law.

9. Other Issues Outside the Control of the Operator. In the event that any influences outside the control of the Operator cause operational issues W&C shall not be responsible for additional Operational Costs and Expenses until such time as those influences are stopped and the facility has had ample time to recover.

10. Testing and Laboratory Analysis. W&C shall perform the sampling and analysis as required to insure proper operation of the Facility. W&C shall prepare all permit monitoring and operations reports, and submit them to the Client for final review and sign-off prior to submission to the appropriate regulatory agency having jurisdiction over the Facility.

11. Reporting. W&C shall submit internal reports relating to the operations of the Facility to the Client and assist the Client in the Client's reporting requirements to local, state and federal regulatory agencies, all in accordance with the mutually agreed upon procedures. W&C shall be responsible for representing the Client with the relevant regulatory agencies and advise the Client of all meetings, hearings and relevant related information for the Facility. The Client shall participate in such meetings of regulatory or governmental agencies as the Client or W&C deems necessary.

12. Records of Operation. Records maintained by W&C shall be in compliance with all applicable law and regulations. These records, capable of providing historical data and trend, shall be the property of the Client. W&C shall maintain these records at the Facility site, available during the term of this Agreement for use by authorized the Client personnel. W&C agrees to provide the Client's officials with access to the Facility at any time, upon reasonable prior notice.

13. Safety. W&C shall administer a site-specific safety program to include training, record keeping and safety meetings, all in conformance with the Client safety program and any requirements of the State of Illinois.

14. Training. W&C shall implement an on-going training program, with classroom and hands-on training for all Facility personnel. Training shall include Facility operations and maintenance, health and safety, laboratory operations and maintenance, supervisory skills and energy management.

15. Capital Budget Submission. On an annual basis, W&C shall provide a formal report to the Client on W&C's projection of capital needs and assist the Client with the preparation of the Client's annual budget. W&C shall annually submit its recommendations regarding additions to or deletions from the Client's scheduled program. W&C shall submit detailed rationale for any changes or additions, along with related preliminary cost estimates. Implementation of these recommendations by the Client, however, is not a condition of W&C's performance of the W&C Services. Review and approval of these capital expenditures shall remain the responsibility of the Client.

16. Emergency Response Plan. W&C, in cooperation with the Client, shall maintain and implement an emergency response plan for the Facility that shall be in compliance with all applicable regulations. The emergency response plan shall be reviewed and updated annually.

17. Facility Inventory. W&C will prepare a complete inventory of spare parts, materials and chemicals on site at the commencement of the term of this contract, to be submitted within three months of the commencement date.

18. Transition Expenses. During the first year of the Agreement, W&C will make investments into the system to address items within health and safety, as well as to install a computerized maintenance and repair program (SEMS) and an operational control program (WIMS). There will be additional transition costs that will include miscellaneous office supplies, tools, travel and labor support. This expense budget will not exceed \$49,167. The transition expenses will be amortized over the first three years of the Agreement. If the Agreement is terminated prior to the 3 years, the remaining portion of the transition costs will be paid to W&C as a lump sum payment for the remaining amount.

Exhibit C
Annual Budget

The budget shall be negotiated and agreed to by both parties annually as described in Article 3.9. The line item budget provided below shall be based upon the parameters outlined in Article III of this Agreement.

Estimated Annual Budget – Year 1

Direct Salary, Benefits, and Overhead	\$232,810
Chemicals Costs	\$196,655
Maintenance and Repair Costs	\$100,900
Laboratory Costs	\$ 18,355
Brine Removal Costs	\$142,046
Miscellaneous Office Supplies	\$ 2,750
Miscellaneous Operating Expenses	\$ 19,631
Utility Costs	\$101,060
Other Operating Costs	\$ 16,372
Subtotal Costs	\$830,579
Fixed Fee	\$ 83,058
Transition Costs (\$49,167 -3yr amortization)	\$ 16,389
Total Budgeted Costs for Contract Year 1	\$930,026

ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

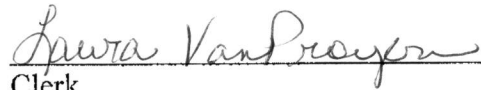
I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the South Sangamon Water Commission.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 15-05 adopted by the Commission on the 21 day of April, 2015, said Ordinance being entitled:

**AN ORDINANCE APPROVING AN OPERATIONS AND MAINTENANCE AGREEMENT
WITH WOODARD & CURRAN**

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Commission this 21 day of April, 2015.


Clerk