

VILLAGE OF DOWNERS GROVE
Report for the Village Council Meeting
11/19/2024

SUBJECT:	SUBMITTED BY:
Intergovernmental Agreement and Settlement Agreement between the Village of Downers Grove and the City of Darien	Enza Petrarca Village Attorney

SYNOPSIS

Resolutions have been prepared authorizing execution of an Intergovernmental Agreement between the Village of Downers Grove and the City of Darien concerning water service to the Knottingham Subdivision and authorizing the execution of a settlement agreement between the Village of Downers Grove and the City of Darien concerning the Knottingham Water Distribution System Intergovernmental Agreement in the amount of \$85,000.00.

STRATEGIC PLAN ALIGNMENT

The goals for 2023-2025 include *Exceptional Municipal Services and Top Quality Infrastructure*.

FISCAL IMPACT

Sufficient funds are provided in the FY24 Budget in multiple funds for the expenses related to this settlement agreement. In future years revenue in the water fund will increase slightly and expenses will decrease slightly.

RECOMMENDATION

Approval on the November 19, 2024 Consent Agenda.

BACKGROUND

In 1978, Downers Grove and Darien entered into an intergovernmental agreement pursuant to which (i) Darien sold the water distribution system within the Knottingham subdivision to the Village; and (ii) the Village agreed to purchase from Darien, on a wholesale basis, water which the Village, in turn, would sell to the residents the Knottingham subdivision. The current agreement is set to expire on December 31, 2027. A dispute has developed between the Village and Darien as to payment for certain water and maintenance charges. In order to resolve all outstanding disputes, the parties have reached a settlement whereby the Village agrees to pay Darien \$85,000, and the parties agree to terminate the 1978 intergovernmental agreement and replace it with a new intergovernmental agreement providing that the Village will supply water and bill the majority of the residents of the Knottingham subdivision. Downers Grove will handle all billing for Downers Grove residents and Darien will handle all billing for Darien residents. The new intergovernmental agreement has a forty (40) year term, with a five (5) year notice of cancellation.

ATTACHMENTS

Resolutions
 Agreements

RESOLUTION NO. _____**A RESOLUTION AUTHORIZING EXECUTION OF A SETTLEMENT AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE AND THE CITY OF DARIEN**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Settlement Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and the City of Darien (the "City"), concerning the Knottingham Water Distribution System Intergovernmental Agreement, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk

AGREEMENT

THIS AGREEMENT (“Agreement”) is entered into this ___ day of _____, 2024, by and between the Village of Downers Grove (“Village”) and the City of Darien (“City”).

RECITALS

A. In 1978, the Village and City entered into an Intergovernmental Agreement (the “IGA”) pursuant to which (i) the City sold what the IGA refers to as the “Knottingham Water Distribution System” to the Village; and (ii) the Village agreed to purchase from the City, on a wholesale basis, water which the Village, in turn, would sell to the users of the Nottingham Water Distribution System.

B. A dispute has developed between the Village and the City as to payment for certain water and maintenance charges. The City contends in good faith that the Village owes money to the City for the sale of water and the City owes no sums to the Village for system maintenance. The Village contends, in good faith, that no sums are due and owing to the City and the City owes the Village reimbursement for system maintenance.

C. Section 27 of the IGA, “Arbitration,” provides that any dispute between the parties in connection with any claim arising out of or relating to the IGA shall be settled by way of arbitration. In the meantime, representatives of the Village and City have met and conferred on a pre-arbitration basis. Based on those meetings and conferences, the parties have reached an amicable resolution of the issue.

Accordingly, it is hereby agreed by and between the Village and City as follows:

Section 1. Incorporation of Recitals. The Recitals set forth hereinabove are incorporated as if fully set forth herein.

Section 2. Settlement Payment; Complete Resolution.

A. The Village agrees to pay the City the sum of EIGHTY-FIVE THOUSAND & NO/100 (\$85,000.00) DOLLARS in full and complete settlement of any and all claims arising out of the IGA to date. Said payment shall be made within thirty (30) days after this Agreement is approved by both the City and the Village.

B. The City acknowledges that the payment by the Village relates to a disputed claim under the IGA. The Village in good faith denies any liability to the City under the IGA but is agreeing to this payment in order to avoid the uncertainties and expenses attendant to a subsequent arbitration, and further in the interest of moving forward in the best interest of the residents of both the Village and the City.

C. The parties further agree to enter into a new agreement replacing the IGA with an effective date of January 1, 2026.

Section 3. Mutual Release. The parties mutually release each other from any and all claims, known and unknown, arising under the IGA from the date of its inception to and including the date of this Agreement. THIS IS A COMPLETE MUTUAL RELEASE.

Section 4. Notices. Any notices contemplated by this Agreement shall be sent via email to the Village Manager, in the case of the Village, and the City Administrator, in the case of the City.

VILLAGE OF DOWNERS GROVE

CITY OF DARIEN

By: _____

By: _____

Date: _____

Date: _____

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