



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 17, 2015**

President Wallace called the Committee of the Whole meeting to order at 8:01 p.m.

PRESENT: Trustees Camerer, Carbonaro, Deyne, Hopkins, Reinke, President Wallace were present.

ABSENT: Trustee Arends

ALSO PRESENT: Village Administrator Valerie Salmons, Assistant Village Administrator Paula Schumacher, Assistant to the Village Administrator Scott Skrycki, Finance Director Jeff Martynowicz, Director of Public Works Dan Dinges, Public Works Engineer Bob Allen, Community Development Director Jim Plonczynski, Building Director Brian Goralski, Head Golf Professional Phil Lenz, Chief Kent Williams, Deputy Chief Joe Leonas, Village Clerk Lorna Giles and Attorney Bryan Mraz.

PUBLIC WORKS

Potable Water Study

Administrator Salmons stated that Dr. Burke was there from Burke Engineering and he had some different options to present. She stated that JAWA has asked them to take a look at their product, either 100% or 50%. They have renegotiated some numbers with Elgin and have some good options.

Christopher Burke stated that it has been about a year since they last talked and he wanted to give the Board an update with new options. He stated that the world is constantly changing on water and in different communities people are looking at different alternatives as the City of Chicago has adjusted their rates and other options are being explored.

When they were given direction to talk to Elgin and negotiate with them, they met a number of times. The Northwest Suburban Municipal Joint Action Water Agency (JAWA) came to the Village and proposed that they would supply Lake Michigan water. In past presentations, there was a significant buy-in fee of about \$14.6 million and they have proposed to eliminate that expenditure. They also are bound by City ordinance and increases are mandated, however, the City of Chicago can change that ordinance at any given time. They refined the estimates on cost to bring Lake Michigan water to Bartlett. Based on the information, they used these numbers to project a rate. The cost per 1,000 gallons drops \$2.40. They also offered that the Village consider an option that would give a 50/50 (continue to buy water from Elgin and buy water from JAWA). This would alleviate the purchase of the additional connection.



VILLAGE OF BARTLETT COMMITTEE MINUTES November 17, 2015

Meetings with Elgin had two conclusions – they would have to raise the capacity of their water treatment plant in 15-20 years and they felt that the previous discussed terms of agreement were balanced in the favor of Bartlett. They talked about a constant escalation rate where every year for budgeting there is a 2.5% increase. They stated that it was now off the table and we would be bound by the rate that they pass on. Rather than having a decreasing surcharge, they would want to renegotiate that. They still agree with the concept of a 35 year agreement. By virtue of their new position the rate goes up about .90¢ per 1,000 gallons. They agreed that they will agree to a 50/50 concept. He talked about a volume discount when the Village was going 100% with Elgin where a surcharge would get down to a minimal amount. Those two factors where they were no longer willing to freeze the escalation rate and no longer willing to reduce the surcharge resulted in them taking a look at other options. In order to get the value out of the water treatment facilities and some of the higher performing new wells, they faze in the Elgin connection over ten years. It also means that they don't have to build the second connection with Elgin.

Please refer to attached Alternatives which were presented to the Board in the attached presentation. He talked about costs to residents based on 6,000 gallons of usage (page 8). He asked the Board for direction on how to proceed.

Trustee Deyne stated that there were a couple of things that bothered him. He stated that things changed with JAWA from just six months ago. He wondered if things would change again if they committed to them. The other thing is that the rates are limited by the City of Chicago ordinance and he was not so sure that the City of Chicago was the most ethical city to be involved with.

Trustee Carbonaro stated that it was a valid concern. The City of Chicago is having financial problems – they sold the Taste of Chicago, the parking rights, what's to say they won't sell the water treatment plant.

Administrator Salmons stated that JAWA's contract with the City of Chicago is up in nine years. Certainly that concern is a valid one.

Trustee Deyne stated that in looking at these water rates, they are a little frightening. If there are two sources, can the Village pick and choose the percentage of water intake?

Dr. Burke stated that those fine details would have to be negotiated. The current agreement with Elgin states that there are different maximums and minimums. That would have to be worked out on what can be varied from the 50/50.

Trustee Deyne asked when they had to make a decision on this?



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 17, 2015**

Administrator Salmons stated that it would be good to have this done somewhere into the new year (first quarter).

President Wallace stated that the contract will be up in 2019. He asked if they could have had a deal with Elgin if they went forward a year ago?

Administrator Salmons stated “no”.

President Wallace commented on the \$8.60 rate for 100% Elgin. That means that they are adding 25% to that and charging an additional \$1.72 per 1,000.

Dr. Burke stated that the \$8.60 includes not only the cost of buying the water from Elgin but also includes the other costs the Village has in maintaining the distribution system and operating and maintaining the other components of the system.

President Wallace asked if it would be safe to say that Elgin is making \$1 per 1,000 gallons.

Dr. Burke stated “yes”.

Trustee Camerer stated that this will ultimately cost \$18.5 million to bring in the extra infrastructure.

Dr. Burke stated \$18.5 million in 2014-15 dollars.

Trustee Reinke stated that those capital improvements would belong to the Village of Bartlett.

Dr. Burke referred to page 7, the 2019 projected rate would include a \$5.7 million capital improvement but then you are on the hook for the differential to be included as they start phasing out the wells. Additional improvements will be an additional pump station and additional lines to re-do the plumbing to accept all the water coming from one source and that was Elgin.

Trustee Reinke stated that the contract with JAWA for 50% of the water supply would not make the Village a member of JAWA.

Dr. Burke stated that is correct and they would not be a voting member.

Trustee Reinke stated that if JAWA wants to head in a certain direction, the Village of Bartlett does not get a vote in that direction.

Administrator Salmons stated that is correct.



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 17, 2015**

Trustee Reinke stated that they would be trusting a water supply from a City that can't handle its own finances and is an entity that they have no vote in.

President Wallace asked how many other Villages were on that Board.

Administrator stated seven.

Trustee Deyne stated that he felt uncomfortable.

Trustee Reinke asked what happens when the City of Chicago is going to switch out its wooden water mains? Who will pay for that?

Trustee Camerer stated that he heard speculation that JAWA in future years would not always take the water from the City of Chicago. It could move to Evanston or elsewhere.

Administrator Salmons stated that they have said that at the end of the nine years they could begin to take water from Wilmette or Evanston or potentially join the Northwest Water Commission by Lake Zurich. They are looking at options not to have to renew with the City of Chicago.

Trustee Camerer asked if under the 50/50 Elgin JAWA plan, is there a possibility to also use our wells and have a three way water supply?

Dr. Burke stated that they asked this question. Elgin is good with you using your own wells. They have asked and if they would allow the phasing out of Bartlett's wells. They believe it is possible and those details would have to be worked out in a final agreement.

Trustee Deyne asked what the life expectancy of the wells are.

Public Works Director Dan Dinges stated that some of the wells are 50+ years old. They must be rehabbed every twenty years. If they have an issue with a well going down, they would evaluate if it is worth rebuilding or abandoning.

Dr. Burke stated that they would keep the more recent and better conditioned wells.

Trustee Deyne asked how they arrived at the \$5.7 million for the five year capital improvement?

Dr. Burke stated that they were going to make some plumbing changes and upgrade the existing pumping station and not build the second connection. They could increase the amount of water they are taking from Elgin and get it to about 2.75 million gallons



VILLAGE OF BARTLETT COMMITTEE MINUTES November 17, 2015

per day and still keep some wells and phase them out over time. That triggers making the second connection and additional improvements to get the pressure needed to get the system operating.

Trustee Deyne stated that he was looking at the \$18.5 million capital improvement and felt that they could surely do a lot of work with the existing wells for that difference. He asked if they were going to receive more information on this. What is the process?

President Wallace stated that they are trying to refine the general direction where the Board is leaning and if there are any additional questions on the numbers.

Administrator Salmons stated that if the Board would like to digest some of this, they can put it on another agenda absent any firm direction.

President Wallace talked about the 2 million gallons per day and verified that they are using about 4 million gallons per day. If they went to 100% Elgin, the \$2.75 would kick in right away. Which is a more stable and predictable supply – Elgin or JAWA?

Dr. Burke stated that both are fairly equal based on changes in water quality because things change on all bodies of water. From a pure water supply, they are close to being equal.

President Wallace asked which is more predictable when it comes to the price?

Dr. Burke stated that the only variable is how they increase the rates on a given year. You don't have control and that is the only variable.

Administrator Salmons stated that they were able to drop the surcharge from \$1.25 to \$1.15 based on consumption.

President Wallace stated that \$1.25 is crazy. A very large number times a small number is a very, very, large number.

Administrator Salmons stated that the \$1.25 is what they have been living with for the last 35 years.

Trustee Reinke stated that there was going to be a downward pressure on any of the increases in the City of Elgin. In order to raise our rates, they will have to raise their resident rates and they won't be too happy about that. He felt that they needed to improve the water quality in the town sooner rather than later. Which option will get us the best quality of water the fastest?



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 17, 2015**

Dr. Burke stated that both options are very close as far as water quality is concerned. Elgin has a very good treatment plant and so does the City of Chicago. They are both equivalent.

Trustee Hopkins asked how much well water we get from Elgin right now.

Dr. Burke stated that the majority is Fox River and they have a backup well that they use.

Trustee Hopkins stated that the Elgin water is softened but we don't soften any of our well water currently.

Dr. Burke stated that was correct.

Trustee Hopkins asked over the ten year period, how many wells would be disconnected right away?

Dr. Burke stated maybe half. It is not the number of wells since they all have different capacities and different ages and different water treatment facilities attached to them. You would keep the ones that cost the least amount of money to operate.

Trustee Hopkins asked for a general number on what it would cost to soften our water at some of the wells.

President Wallace asked why he was interested in softening the well water.

Trustee Hopkins stated that if they are going to phase it out over ten years, some residents on the south side of Bartlett have pretty crummy water and it effects them greatly. He didn't want those residents to wait ten years to get relief. He would like to know the cost.

Dr. Burke stated that he would get him those figures.

Trustee Reinke stated that they really need to improve the quality of water.

President Wallace stated that he has drank his water from the tap since the day he moved in and it is fine. He has also heard from residents that it is not. He has also heard that it is the piping and not the water.

Trustee Carbonaro asked if the \$5.7 million includes maintenance to the wells to keep them open.



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 17, 2015**

Dr. Burke stated that they did not include any additional or incremental maintenance beyond what they are currently doing. It did not include any major capital improvements because the wells are being phased out. The \$18.5 million capital improvement figure included costs for additional water tanks and cost for interconnects.

President Wallace asked if they went 100% Elgin, where would the emergency water source come from?

Dr. Burke stated the Streamwood interconnect and the other is Hanover Park.

D. Dinges stated that they also talked about the fact that if the wells are still functioning, they would be kept as an emergency back-up as well.

Trustee Carbonaro asked if they were talking to Hanover Park or Streamwood as a reciprocating secondary.

D. Dinges stated "yes".

President Wallace stated that if the predictable and stable supply is equal and the price is less and the quality is equal, he wondered how quickly they could soften the water that they are blending in until it's switched over. He was told that the negotiation is over but he didn't know if it were ever over for the Valerie that they know...

Trustee Deyne suggested that Valerie helps negotiate the contract.

Administrator Salmons stated that she did.

President Wallace asked what the residents get charged per 1,000 gallons?

Administrator Salmons stated \$6.36.

Dr. Burke stated that the increase would be in 2019.

President Wallace stated that he has driven past the Fox River and it sometimes seems very low. Years ago it was flowing over the banks.

Dr. Burke stated that it was a big drainage area that goes up to Wisconsin.

D. Dinges stated that he had the presentation from last year and one alternative was the softening of the current wells. The cost was \$6 million dollars and they would have to do the bulk of them.



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 17, 2015**

Administrator Salmons stated that maybe they could look at doing a certain region for a while to equalize the quality.

There being no further business to discuss, Trustee Reinke moved to adjourn the Committee of the Whole meeting and that motion was seconded by Trustee Camerer.

ROLL CALL VOTE TO ADJOURN

AYES: Trustees Camerer, Carbonaro, Deyne, Hopkins, Reinke

NAYS: None

ABSENT: Trustee Arends

MOTION CARRIED

The meeting adjourned at 8:42 p.m.

Lorna Gilles
Village Clerk

LG/