



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 15, 2016**

President Wallace called the Committee of the Whole meeting to order at 7:55 p.m.

PRESENT: Trustee Arends, Camerer, Carbonaro, Deyne, Hopkins, and President Wallace

ABSENT: Trustee Reinke

ALSO PRESENT: Village Administrator Valerie Salmons, Assistant Administrator Paula Schumacher, Assistant to the Village Administrator Scott Skrycki, Interim Finance Director Todd Dowden, Director of Public Works Dan Dinges, Public Works Engineer Bob Allen, Community Development Director Jim Plonczynski, Head Golf Professional Phil Lenz, Police Chief Kent Williams, Village Attorney Bryan Mraz and Village Clerk Lorna Giles.

PUBLIC WORKS

Continued Water Study Discussion

Administrator Salmons stated that at the last Board meeting they discussed three options for the long-term water supply. The Board asked staff to invite all three potential providers back to this meeting to make brief presentations and answer questions. She indicated that there was a letter from JAWA, indicating where the numbers are and they are the same as last time. The City of Elgin is there as well as the DuPage Water Commission.

Dr. Christopher Burke from Burke and Associates, stated that Elgin was there tonight. They have said that the 100% option has complicated some of the discussions but they are in full support of a 50-50 option whereas they would supply river water for 50% and JAWA would provide the other half. They said that they would reduce the surcharge that was discussed from 1.25 to 1.2 for a period of five years and that results in about a \$0.15 per thousand gallon reduction. They acknowledged the 2016 taste and odor issue associated with the algae and suggested they put that event in historical context, happening only once in the last 30 years. They also desire to complete and continue the relationship with the Village.

JAWA has also confirmed with a letter of interest, all the items that they previously stated. They also stated that all their debts are included in the rate and they have cited that they will finance the components of the improvements that are connecting them to our system. They would say that they proposed a nonvoting Village delegate be appointed to participate in their meetings and believed that if the Village approved the 50-50 option, they could get the water within 12 months and 100% supply in 18 months.



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 15, 2016**

The DuPage Water Commission had already stated their position in great detail and wanted to continue to serve the Village and are very interested in speaking tonight.

Jim Zay, Chairman of the DuPage Water Commission stated that the Village of Bartlett has 60% of their population in DuPage County. They are the second largest water utility in the state of Illinois, only behind the City of Chicago. They give water to 800,000 people.

John Spatz, General Manager of the DuPage Water Commission presented their proposal for water delivery (attached).

Trustee Hopkins asked about the completed engineering that was mentioned at the last meeting.

Mr. Spatz stated that they have TW3 line that was going to loop over. Currently, they have construction costs and would just install one branch of that, not the redundant part. A lot of the design was already done and they would just have to massage it a little bit and bring it up to date. It will save a lot of costs.

Trustee Deyne asked about the easements that would have to be granted. There was some concern whether or not those could be granted in a timely fashion.

Mr. Spatz stated that he was confident they could get those easements in place and get them installed long before 2019 when the contract expires with Elgin.

President Wallace asked for a ballpark date of completion.

Mr. Spatz stated probably in 2018.

Rick Kozal, City Manager for Elgin affirmed Elgin's commitment to continuing to provide water to Bartlett residents. He was aware that negotiations between the two municipalities began two years ago and did not have the benefit of participating in those negotiations since he just became city manager three months ago. It is not within his constitution to leave big matters unresolved and he was here to tell them unequivocally, if there is still interest in pursuing an agreement with Elgin, they will find resolution in short order. On July 11, the city submitted an additional proposal to sweeten their offer. Elgin is offering a reduction on its multiplier. For the first five years, in recognition of the improvements that Bartlett would be required to make, they are offering a reduction to the multiplier of 1.20% and that equates to about \$0.15 per gallon or a little less than \$1 million to the Bartlett residents over the five-year term. They are doing this in the interest of continuing the long-standing relationship that our communities have. He talked about the rate stability that Elgin can provide as part of this agreement. For the past five years Elgin's water rate increases have been zero. They are raising rates



VILLAGE OF BARTLETT COMMITTEE MINUTES November 15, 2016

nominally right now but the average resident bill will only go up about five dollars over five years. With Bartlett knowing that the multiplier is tied to what the city is going to be charging its own residents, it has the assurance that those rates are not going to wildly fluctuate as they may with getting water from JAWA with Chicago as the source. They recognize that Chicago has an ordinance in place that limits water increases to the CPI or the lesser of 5%. We all know, ordinances can be changed. We all know the financial difficulties facing Chicago. When you have an asset that is in demand by a large number of suitors, it is going to be utilized.

In summation, we have a 30 year history of utterly reliable water service in which quality water has been provided to the Bartlett residents. That, coupled with the lowest cost capital alternative, combined with the rate stability Elgin offers and the million dollar capital contribution that the city will be making to Bartlett in order to fund this partnership, makes the Elgin and JAWA 50-50 program to be the best choice for the next generation of Bartlett residents.

Trustee Deyne asked if the Board elected to go with the 50-50 program, would all of the residents of Bartlett get the same water?

Mr. Kozal stated that the quality of Elgin's water would be the same. Regardless of wherever that water was coming from, the residents would not be able to discern a difference in quality.

Dr. Burke stated that half of the residents would receive Lake Michigan water and the other half would be receiving the treated Fox River water. There is no way for it to be mixed.

Trustee Hopkins stated that he felt it was important that they focus on getting their water from one source – 100%. He did not care for the 50-50 mix.

Trustee Camerer stated that he was in favor of the 50-50 mix but if they can't mix it, then it poses a problem with the community and the complaints they will get from residents. The algae bloom was certainly a concern even though it didn't happen often. There is some thought that it could happen more frequently with the potential for weather change.

Mr. Kozal stated that he would point to history and the last time that an incident of this magnitude occurred was 20 years ago.

Trustee Arends asked about liability. If something were to happen to the water supply, where would the liability lie?



VILLAGE OF BARTLETT COMMITTEE MINUTES November 15, 2016

Attorney Mraz stated that it would be a question of how they would replace that water supply and the redundancies of an emergency backup. He didn't know about our liability to third parties. He stated that there would be a contractual issue where they are supposed to provide us with treated, clean water. He didn't think that monetary damages would solve the problem. It could be a basis to break the contract if they didn't clean it up. These are long-term investments and huge capital dollars to hook up to one source or the other. If the 50-50 option were chosen, you could switch over to the other source.

Trustee Arends referred to Flint Michigan and Calumet City.

Attorney Mraz stated that that was a question for Dr. Burke.

Dr. Burke stated that their water chemistry and the age of their pipes interacted in a negative way. They had a temporary feed from the Flint River versus the Great Lakes water that they previously had been using. It caused a lot of the material that lined the pipes over many years that the system was in place to deteriorate and cause a water quality issue. He stated that it could not occur with our water supply.

Trustee Deyne asked about the minimum requirement from Elgin.

Administrator Salmons stated that it was one of the stumbling blocks in the negotiations. If they go with the 50-50 option, that issue goes away.

Mr. Kozal stated that he focused primarily on the 50-50 alternative seeing that it is the least expensive for Bartlett. In recognition of the desire to have your source from a single entity, Elgin's proposal for capital costs in the amount of \$12.3 million from what the capital costs are with JAWA. They have not been able to resolve the issues to date on the work that they have been doing for the past two years but he was here to tell them that if this is what Bartlett would like to pursue, he is giving them the commitment and resolve to try to reach resolution again in recognition of the relationship they have had and wants to continue with in the future.

President Wallace stated that this Board spent a lot of time choosing a water supplier and they were all in agreement that it was 100% Elgin and it has just all gone away. He appreciated his comments but felt it was very frustrating and felt that they wouldn't be here right now if it went through as agreed earlier. The Village went through a lot of work studies and expenses expecting a deal that didn't come through.

Administrator Salmons stated that the costs seem to be in the general vicinity of one another. The ability to get the pipe in the ground quickly, not only for getting the water before the contract is up but also to save our grant money that is on the line. In talking to DuPage she has a much better comfort level about the easements, who owns the



**VILLAGE OF BARTLETT
COMMITTEE MINUTES
November 15, 2016**

easements, and how long it would take. She felt that DuPage is willing to commit to have it in place at the time that we needed. The ability to be a part of the committee's were what she thought was important to tell the Board. She thought DuPage has answered that question during the last two weeks with more detail.

President Wallace agreed. He also agreed with Trustee Hopkins regarding the issues with two different sources. They have been battling with this issue for a long time. He wanted to get Public Works involved so people understand the difference between water quality, depending on what their pipes are like. We have to educate these folks. When residents turn on their spigots and brown water comes out, that is a pipe issue. There is a lot of public education that should go on with this major decision and we have to get it right so everyone understands where the water is coming from and that it is safe.

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

ROLL CALL VOTE TO ADJOURN

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

NAYS: None

ABSENT: Trustee Reinke

MOTION CARRIED

The meeting adjourned at 8:34 p.m.

Lorna Gilless
Village Clerk

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