



CITY OF COUNTRY CLUB HILLS
Special City Council Meeting
Thursday – June 25, 2020
5:00 pm
Meeting Minutes

1. A special meeting of the City Council, City of Country Club Hills, County of Cook, State of Illinois, was held in the City Hall, 4200 W. 183rd Street at 5:06pm. The meeting was called to order by the Honorable James W. Ford, Mayor. Due to COVID-19 public health emergency, this meeting is available remotely for elected officials via tele-conference per Gov. Pritzker's Executive Order 2020.07 issued March 16, 2020.

2. ROLL CALL:

THOSE ON ROLL CALL ANSWERING PRESENT WERE:

Alderman Lockett(on-site), Glispie(on-site) and Mayor Ford(on-site). Ald. Davis(via tele-conference), Ald. Evans(via tele-conference).

Also present were: City Clerk, Patricia D. Hutson(on-site), Aaron Fundich, PE-Robinson Engineering SWA (on-site), Jay Wynsma-Chairman of the Executive Committee of SWA (on-site), Supt. Jerry Townsend(via tele-conference), Dan Barr, Retired CCH Supt. (via tele-conference), Mike Spolar (via tele-conference) and Atty Michael Roth (via tele-conference)

ABSENT: Ald. Spivey

3. Presentation:

Mayor Ford introduced Aaron Fundich, P.E. – Agency Engineer, Southland Water Agency (SWA) for the presentation. Aaron then introduced Jay Wynsma spoke about the original reason for pursuing the SWA. The water rates for the region has increased with staggering rates for quite some time. The Southland has been beholdng to other water supplier such as the City of Chicago, Hammond, Oak Lawn, Harvey and others. All of the providers have a profit motive. SWA has no other motive than to supply water to the Southland. A completely not-for-profit government agency was needed whose sole purpose was to provide a safe, reliable cost effective water solution for the southland. This has been a long process there were negotiations for many years with Hammond and as the process went on many of the original towns pulled back and three

communities were determined to follow through because this was a necessity and the most significant infrastructure project for the southland since the interstate was put in. He is glad that some have stuck with it and he is excited about where the project is today. Ms. Wynsma referred the attendees to their packets which has details regarding the rates Chicago has charged since 2002. Jay again referred to the packet which shows where SWA is and where it's headed. SWA will have its own completely new system with a straw in the lake bringing water to the southland, treating the water and have its own independent system. SWA will be its own delivery system, be completely independent and provide water for the southland with total transparency. Everything will be audited for everyone to see. Chicago continues to repair all of their neighborhood systems on the backs of the south suburbs. Oak Lawn continues to make repairs as well and again the south suburbs continue to pay. SWA will give us the predictability that no other suppliers can offer. Jay is the Administrator for the Village of South Holland. Their water is purchased directly from Chicago and So. Holland never knows what the rates will be for than 12 months at a time. SWA wants to give the southland predictability for 50 years. If we can do this it will everyone the opportunity for proper planning. SWA was legally organized in May of 2019 with South Holland, East Hazel Crest and Thornton who were the three founding towns. Aaron chimed in to share each of the three currently has different water suppliers. South Holland purchases directly from Chicago, Thornton purchases from Hammond through Chicago Heights and East Hazel Crest purchases from Chicago through Harvey. Here we have three communities with three different rates, three different supplies and three different sets of specific problems with a common goal of providing water to its community. Aaron shared SWA now stands as a legally registered agency with an agreement for an access site into Lake Michigan, signed pre-development agreement with Indiana Structure LLC. This is the group that will build everything on the Indiana side, bring it to the Illinois border and finance everything on the Indiana side. There were previous attempts to do these JAWA's (Joint Action Water Agencies) and individual municipalities had to bond lots of monies. None of that is required now. Other than the original three communities everyone else is a customers that will pay an initial buy-in fee. There is no long term debt for the municipalities. Ald. Davis was temporarily out of the tele-conference system and immediately re-joined the meeting. Jay shared there is a preliminary route into Illinois and there are a couple of sites identified for the water treatment plants. Jay and Aaron then shared SWA will be able to guarantee water rates from day one will be at least three percent less than what you are paying at the time you take water from SWA. The current figures are based off of projects from Oak Lawn (exp. 2024) the current supplier and SWA understands there is the possibility that Chicago Heights could possibly be a supplier in the future. Mayor Ford stated CCHills may have to continue purchasing from Oak Lawn longer than 2024 because SWA cannot provide water until 2027. Aaron responded yes, 20274 or 2028. Aaron shared he has obtained the CCHills and Oak Lawn water contract that shows no action will extend the contract for 5 years which would push CCHills to 2029 which would be the perfect timeline. Aaron also shared the contract shows no exclusivity i.e. it does not prohibit the city from purchasing water elsewhere and allows flexibility. Aaron was recently in Alsip and their water contract expires in 2021 and with no action theirs will continue for 10 years. Clerk Hutson asked all tele-conference attendees to place their phones on mute as a courtesy to other attendees. Ald. Lockett inquired as to whether there is a penalty if the city leaves during the non-action extension of the contract. Aaron referred Ald. Lockett's inquiry to the city

Attorney. Mayor Ford agreed that should be referred to legal. Aaron shared that contract was written in 1984, Oak Lawn became indebted to bring the system to CCHills. For the first 10 years there was a debt competent and now there are no longer debt components that is crucial to the city's debt with Oak Lawn. Mayor Ford shared we are indebted for unpaid infrastructure for a few million. Ald. Lockett shared all of the ongoing improvements are west of CCHills. Ald. Lockett inquired to Aaron and Jay as to how CCHills can finance their portion of the amount due. Aaron responded there will be a onetime application fee that each of the communities would make for some of the soft costs that the agency will have to go through over the next several years. The agency board set the fee structure in January 2020. The fee will vary from town to town based on water usage. The fee for 2020 is \$150,000 per MGD (million gallons per day) of allocation that the city is authorized to take out of the lake by IDNR (Indiana Department of National Resources). CCHills has an allocation amount of 1.6 MGD and the base fee would be \$150,000 X 1.6 but, the agency has been negotiating with the city of Joliet. Joliet is using well water and their aquifer is running out of water and by 2030 they will not have enough water to meet their peak demands. A few years ago Joliet spent 1 million dollar to generate a survey to figure out where they were going to get their water from. Joliet's City Council voted to purchase water from Lake Michigan. Joliet will make a determination by the end of this year to either purchase from Chicago, Hammond, IN (building their own system) or partner with SWA. Mayor Ford, Jerry Townsend and Donna Gayden were part of a forum held with 16 communities in February. SWA shared the onetime cost with no bond issuance and no long term debt will be spread over 3 years. The cost will be 50% in year 1, 25% in year 2 and 25% in year 3. The initial buy in along with payments from years 1, 2 and 3. SWA has offered a discount to communities who commit to 20,000 MGD by July 1st the fee is only \$50,000 per MGD. For CCHills \$50,000 X 1.6 = \$80,800.00. To move forward CCHills would need to adopt the ordinance, make the \$40,400.00 payment. Ald. Lockett chuckled where would the city get this money from? The city is not receiving sales tax, property tax until October. Jay and Aaron both shared most municipalities are paying from their water funds because this a water system expense. Ald. Lockett inquired during their statements there are three towns and he recalled there were eleven. Aaron shared in the past 2 weeks Alsip approved the contract. Alsip sells to Palos Heights and Crestwood. Lansing approved the contract and they sell to Lynwood. Midlothian approved the contract and Midlothian and Markham (share the MidMark Water Commission) and purchase from Chicago. SWA will ultimately negotiate with MidMark to purchase that line. This purchase could save SWA \$10 million dollars as opposed to a new build. The thought is to purchase existing infrastructure to save money. Ald. Lockett inquired as to what towns were part of the South Suburban Jawa. Aaron shared it was Harvey, Robbins, Markham, Midlothian, Blue Island and Calumet Park. He also shared some towns may have a trust factor because some of them lost a great deal of money in the initial set up. That agency pursued deals that were the best for the towns. Alsip lost \$1.6 million dollars. There were lawsuits, counter lawsuits and it was a very ugly deal. Robinson Engineering was brought in to try and salvage it with a new leadership team. With that being said a couple of the towns met SWA with a huge dose of skepticism. SWA explained his is a different group with plans and a minimization of risk. There was continued ongoing conversation regarding SWA and what it has to offer. Ald. Lockett inquired as to the balance leftover from the JAWA of \$400,000. Neither gentleman was aware and were not involved at the time. They both shared their speculation it may be tied up in litigation.

Ald. Lockett also inquired as to the status of Olympia Fields, Matteson and Hazel Crest. Per Aaron, Glenwood and Hazel Crest, Calumet City and Calumet Park have scheduled meetings to vote on the SWA contract. The sooner the team of towns are combined the better negotiating options with Joliet are available. Aaron shared after July 1st towns will have the option to join in but the incentives will no longer be available. Ald. Lockett asked what if the municipality doesn't pay their bill. How will this affect the resident? Aaron shared there will be a provision in the contract to address that concern. Ald. Lockett asked if the State of Illinois or the Federal Government have any programs that can assist SWA. Aaron shared the Federal Government has a program called WIFIA (Water Infrastructure Finance Investment Act) which SWA will apply for and the program will cover 49% of total project cost. Illinois EPA has low interest loans that SWA will apply for as well. Ald. Lockett inquired as to why elected officials at all levels of hierarchy are not pushing for this project for the southland. Aaron shared SWA has the commitments and will move forward to the State Reps and Senators for assistance. Ald. Lockett inquired if SWA has set monies aside to address the deteriorating infrastructure in the southland. Jay shared yes the agency has plans built in and now each municipality will have the ability to mark the cost up to create a built in source of funds for deteriorating infrastructure. There was again continued regarding cost, pipe size, water usage and quality. Mayor Ford shared with Aaron and Jay that the next Regular City Council Meeting will be held July 13th will be placed on the agenda for a full council vote. Aaron and Jay will recommend to the board to extend the date for Country Club Hills and offered if there are any questions please let them know.

4. Motion to Open the Floor to the Public

Alderman Lockett moved to open the floor to the public. Second – Alderman Glispie. Discussion – None. Let the records show that Ald. Evans was no longer on the tele-conference call.

Let the records show there were no questions or concerns submitted to the City Clerk.

ROLL CALL VOTE:

3 Ayes: Aldermen Lockett, Davis and Glispie

0 Nays:

0 Abstain:

2 Absent: Ald. Evans and Spivey

Motion Declared Carried and Hereby Made a Part of the Original Journal of Proceedings this date.

5. Motion to Close the Floor to the Public

Alderman Lockett moved to close the floor to the public. Second – Alderman Glispie.

ROLL CALL VOTE:

3 Ayes: Aldermen Lockett, Davis, Glispie

0 Nays:

0 Abstain:

2 Absent: Ald. Evans and Spivey

Motion Declared Carried and Hereby Made a Part of the Original Journal of Proceedings this date.

6. Adjournment

Mayor Ford asked for a Motion to adjourn.

Ald. Lockett motioned for adjournment. Second- Ald. Glispie.

ROLL CALL VOTE:

3. Ayes: Aldermen Lockett, Davis and Glispie

0 Nays:

0 Abstain:

2 Absent: Ald. Evans and Spivey

Motion Declared Carried and Hereby Made a Part of the Original Journal of Proceedings this date
Meeting adjourned at 6:06pm

Respectfully submitted



Patricia D. Hutson, City Clerk