

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES
OSWEGO VILLAGE HALL
100 PARKERS MILL, OSWEGO, ILLINOIS
April 17, 2018**

CALL TO ORDER

President Gail E. Johnson called the meeting to order at 6:00 p.m.

ROLL CALL

Physically Present: President Gail Johnson and Trustees Ryan Kauffman, Karin McCarthy-Lange, Pam Parr and Joe West.

Absent: Trustee Luis Perez and Judy Sollinger.

Staff Present: Dan Di Santo, Village Administrator; Christina Burns, AVA/HR Director; Tina Touchette, Village Clerk; Jennifer Hughes, Public Works Director; Jeff Burgner, Police Chief; Rod Zenner, Community Development Director; Mark Horton, Finance Director; Corinna Cole, Economic Development Director; Jenette Sturges, Community Engagement Coordinator- Marketing; Jay Hoover, Building & Zoning Manager; and James Murphy, Village Attorney.

CONSIDERATION OF AND POSSIBLE ACTIONS ON-ANY REQUESTS FOR ELECTRONIC PARTICIPATION IN MEETING

There was no one who participated electronically.

PUBLIC FORUM

Public Forum was opened at 6:00 p.m. There was no one who requested to speak; the Public Forum was closed at 6:00 p.m.

OLD BUSINESS

E.1. Monroe's Gaming Presentation and Request for a Liquor and Video Gaming License.

Clerk Touchette addressed the Board regarding a request for a liquor and video gaming license. This item was previously discussed at the March 6th Committee of the Whole meeting. The Board requested that the applicant provide interior and exterior renderings and a revised logo and marketing plan. Mr. Wilbur Yu was present to discuss the changes and answer questions from the Board.

Board, staff and applicant discussion focused on the number of open units in the strip mall; a hair studio, massage parlor and liquor store are next to the unit the applicant is leasing; not comfortable with placing a video gaming café at the location; better use for the location; location is at one of the points of entrance into town; unit has been vacant over 18 months; applicant asked the landlord to attend the meeting, but he couldn't make it; not liking the location; applicant stated that the Board could have told them they didn't like the location the last time; Board members stated at the March 6th Committee of the Whole meeting they did not like the location; finding a new location; why they are being penalized; video gaming was originally adopted to help the small businesses stay in business; location is a draw for an exciting business; why they can't get a vote on it tonight; voting takes place at Regular Village Board meetings, not a Committee of the Whole meeting. Item will not move forward for this location.

NEW BUSINESS

F.1. Consideration and Discussion of the Feasibility Study to Receive Lake Michigan Water Via the DuPage Water Commission.

Director Hughes addressed the Board regarding the study done by AECOM. The Illinois State Water Survey projects that Oswego could run out of ground water in the next 20-40 years. The process of securing and implementing a new water source could take ten years, so the Village has begun to proactively plan for a new water source. The 2014 Water Study, prepared by HR Green, identified

two viable sources: Fox River through a new water plant, or Lake Michigan via the DuPage Water Commission (DPWC). In 2016, Engineering Enterprises (EEI) performed a sub-regional water analysis finding that a joint Fox River water plant with Yorkville and Montgomery was the preferred alternative for Oswego. In February 2017, the Village received supplemental information from the DPWC which indicated that the Lake Michigan option might be more cost effective than envisioned in the original HR Green report. The Village of Oswego and the United City of Yorkville contracted with AECOM Technical Services, Inc. to determine if it is technically feasible to connect to DPWC and if so, to estimate the costs.

Feasibility Study- Final Report, October 2017

Presenters: Mike Winegard, Chad Laucamp and Dana Al-Qadi

Purpose of the Study:

- Deep sandstone aquifer will be depleted in the future
- Previous study recommended utilizing and treating Fox River Water
- What would be involved in purchasing treated Lake Michigan Water through the DuPage Water Commission?
- What would the approximate cost be?

Current and Projected Water Demands:

Village of Oswego

		Current Trends (CT)			Less Resource Intensive (LRI)	
Year	Population	Ave Day (mgd)	Max Day (mgd)	Gallons Per Capita Per Day	Ave Day (mgd)	Max Day (mgd)
2014	33,877	2.50	4.75	74	2.50	4.38
2020	38,877	3.50	6.65	90	2.92	5.10
2050	90,996	8.19	15.56	90	6.82	11.94

United City of Yorkville

		Current Trends (CT)			Less Resource Intensive (LRI)	
Year	Population	Ave Day (mgd)	Max Day (mgd)	Gallons Per Capita Per Day	Ave Day (mgd)	Max Day (mgd)
2014	17,878	1.38	2.17	77	1.38	2.17
2020	22,878	2.06	4.12	90	1.83	3.20
2050	59,565	5.36	10.72	90	4.77	8.34

	Segment 1 Oswego	Segment 2 Yorkville	Segment 3 Oswego to Yorkville
Length	7.64 miles	2.34 miles	9.71 miles

	Oswego (mgd)	Yorkville (mgd)	Existing DWC Customers (mgd) ¹	Total (mgd)
2020 Average Day Demand (ADD)	3.5	2.1	79.4	85.0
2020 Maximum Day Demand (MDD)	6.0	3.6	144.5	154.1
2050 Average Day Demand (ADD)	8.2	5.4	95.4	109.0
2050 Maximum Day Demand (MDD)	13.9	9.2	161.9	185.0
1. For the purposes of this study, existing customers include the Village of Bartlett.				

Pressure During 2020 Average and Maximum Day Demands:

Scenario	Location	Approximate USGS Ground Elevation	Minimum Pressure, psi	Maximum Pressure, psi	Average Pressure, psi
2020 Average Day Demand	Oswego Connection Point	742'	61.2	69.7	65.3
2020 Maximum Day Demand			57.9	66.7	63.4
2020 Average Day Demand	Yorkville Connection Point	652'	95.2	103.9	99.5
2020 Maximum Day Demand			89.4	99.1	95.5

Pressure During 2050 Average and Maximum Day Demands:

Scenario	Location	Approximate USGS Ground Elevation	Minimum Pressure, psi	Maximum Pressure, psi	Average Pressure, psi
2050 Average Day Demand	Oswego Connection Point	742'	50.8	60.8	56.5
2050 Maximum Day Demand			20.9	37.1	28.4
2050 Average Day Demand	Yorkville Connection Point	652'	88.0	92.3	83.9
2050 Maximum Day Demand			35.4	58.0	45.5

Receiving Stations

- Type A – Pressure Reducing Station Utilizing Ground Storage
- Type B – Pressure Reducing Station
- Type C – Rate Control Station
- Type D – Pressure Increasing Station

AECOM concluded that connection to DPWC is feasible. As demands grow over time, future system improvements will need to be made to ensure adequate pressure at the points where the communities receive water. DPWC would construct a 42” transmission main from the connection point in Naperville to the Ogden Falls water tower. From there, a cross-town transmission main would deliver water to additional connection points in Oswego before continuing to Yorkville. AECOM estimated the costs to connect to DPWC to be \$8.57/1,000 gallons. This rate is above the base rate necessary to support operations and maintenance of the existing infrastructure. They did not analyze any savings realized if the wells are decommissioned, but it is likely that some of the costs will be offset by the new pumping costs required for the DPWC option.

Estimated Capital Costs for Receiving DPWC Lake Michigan Water:

No.	Description	Quantity	Units	Unit Cost	Total Cost
1.	42-Inch Diameter Transmission Main	39,750	LF	\$600	\$23,850,000
2.	42-Inch Dia. Transmission Main Jacked/Bored and Installed In Casing Pipe (Under Highway, Railroad or Water Crossing)	750	LF	\$1,500	\$1,125,000
3.	30-Inch Diameter Transmission Main	63,000	LF	\$500	\$31,500,000
4.	30-Inch Dia. Transmission Main Jacked/Bored and Installed In Casing Pipe (Under Highway, Railroad or Water Crossing)	750	LF	\$1,200	\$900,000
5.	Oswego Connection Point	1	EA	\$750,000	\$750,000
6.	Yorkville Connection Point	1	EA	\$750,000	\$750,000
Subtotal:					\$58,875,000
10% Engineering Costs:					\$5,887,500
10% Contingency:					\$5,887,500
Total:					\$70,650,000

- Improvements to the Oswego and Yorkville water distribution systems not included
- Costs for pressure adjusting not included
- Costs for land acquisition for the connection points are not included
- Assumes one connection point per municipality

	Oswego	Yorkville	Total
DPWC Buy-in	\$10,128,368	\$5,672,382	\$15,800,750
Transmission Line Capital Costs	\$45,498,600	\$ 25,151,400	\$70,650,000
Total Cost	\$55,626,968	\$30,823,782	\$86,450,750

- The transmission line capital cost excludes costs of internal improvements to distribute water throughout the Village from the Ogden Falls water tower.
- The cost split between Oswego and Yorkville is preliminary and needs further review and calculation.

The DPWC has preliminarily offered to allow the Village to finance the buy-in cost at zero percent interest over thirty years per terms of their agreement with the Village of Bartlett.

Estimated Unit Cost per 1,000 Gallons with 4% Financing for all Project Costs						
Community	Average Daily Consumption (gpd)	Total Project Cost	Annual Debt Service	Per 1,000 Gallons		
				Debt Service for Construction and Buy-In	Wholesale Cost	Net Wholesale Cost
Oswego	2,500,000	\$55,626,968	\$3,368,700	\$3.69	\$4.88	\$8.57
Yorkville	1,380,000	\$30,823,782	\$1,866,700	\$3.71	\$4.88	\$8.59

- Assumes financing using a 30-year bond at 4% interest for all project costs
- Assumes the DPWC will provide 0% financing for the recovery charges
- Debt service incorporates typical issuance and reserve costs, as determined by Municipal.com municipal bond payment calculator

Buy-in Costs for Village of Oswego:

		Fixed Assets (Audited as of 04-30-2017)			
		Land	\$	11,728,902	
		Infrastructure		364,135,069	
		Buildings		104,453,344	
		Office Equipment		4,678,127	
		Machinery		23,414,564	
		Vehicles		701,297	
		CIP		813,872	
		Total	\$	509,925,175	
		Less: Feeder Mains & Meter Stations		93,293,501	
				<u>416,631,674</u>	
		Less: Total Rebates		106,326,287	
		Total	\$	<u><u>310,305,387</u></u>	
					Total Capital Cost Recovery Charge
	MGD				
Village of Oswego	2.500			3.264%	\$ 10,128,368
DuPage Water Commission (CY2015-CY2016 Avg)*	74.093				
Total	<u>76.593</u>				

Buy-in Costs for United City of Yorkville:

		Fixed Assets (Audited as of 04-30-2017)			
		Land	\$	11,728,902	
		Infrastructure		364,135,069	
		Buildings		104,453,344	
		Office Equipment		4,678,127	
		Machinery		23,414,564	
		Vehicles		701,297	
		CIP		813,872	
		Total	\$	509,925,175	
		Less: Feeder Mains & Meter Stations		93,293,501	
				<u>416,631,674</u>	
		Less: Total Rebates		106,326,287	
		Total	\$	<u><u>310,305,387</u></u>	
					Total Capital Cost Recovery Charge
	MGD				
United City of Yorkville	1.380			1.828%	\$ 5,672,382
DuPage Water Commission (CY2015-CY2016 Avg)*	74.093				
Total	<u>75.473</u>				

Timeline:

Month(s)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Negotiations with DWC			DWC to prepare plans and specifications, obtain preliminary permits						Final Permitting, Advertising, Bidding, Award Contracts					
	Application for IDNR Water Allocation														

Month(s)	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33
	Construction of Transmission Main																	
	Construction of Metering Stations																	
	Construction of Pressure Adjusting Stations																	

Differences Between AECOM and EEI Reports:

Transmission Main Piping Costs

- EEI claimed the unit prices used for the 30-inch and 42-inch diameter piping was too low, and increased the costs by \$75/LF for 30-inch and \$50/LF for 42-inch
- Per EEI cost comparison handout, their piping cost analysis resulted in an additional cost of \$8.16M
- AECOM used a unit cost of \$500/LF for the 30-inch diameter transmission main and \$600/LF for the 42-inch diameter transmission main
- AECOM unit costs based on actual bid prices received for similar sized transmission mains installed
 - A 10% contingency was included to account for unknown conditions and costs
 - Units costs based on dense urban installations, which are conservative since piping for this project would largely be installed in open land with less utility conflicts and restoration costs

Receiving Stations

- EEI indicated that Oswego or Yorkville distribution systems do not have existing reservoirs or pumping stations that can be used as receiving stations
- EEI had two new 2.0 MG ground storage tanks at each receiving station, which resulted in \$11.5 - \$12M cost estimated for each station
- AECOM indicated that most DPWC communities utilize existing reservoirs and pumping stations for their receiving stations
- AECOM used an estimated cost of \$750,000 for each connection point, which is based on the most recent construction costs for DPWC connection points of similar size and type
- The above resulted in a discrepancy of approx. \$44M if two connection points assumed for each community (EEI included future storage)

Other Considerations

- In AECOM's opinion, the \$3.00 per 1,000 gallons that EEI used for the Fox River System appears to be too low to account for both O&M and capital costs
- EEI included \$800k in land acquisition costs in their cost breakdown for DPWC option, which is prorated based on easement costs required by Bartlett project that was in a more congested area
- AECOM anticipates that easement costs will be minimal based on the preliminary route being along existing right-of-ways

- AECOM considers any easement costs to be accounted for in the contingency for the transmission main installation
- Both AECOM and EEI agree that a detailed route study would refine the transmission main installation costs

Staff from Oswego, Yorkville, and Montgomery met in January with both AECOM and EEI. EEI made several assumptions about AECOM's analysis and adjusted their costs. EEI concluded that the capital cost for the DuPage connection would be 32.7% higher than the Fox River plant and that operating costs would be 62.7% higher under the DuPage connection. One of the biggest discrepancies in the cost analysis relates to the number and cost of the receiving stations. EEI allocates an additional \$24 million to the structures based upon their understanding of how the system would operate. AECOM believes that such improvements are not necessary today, and even if they are necessary, not to the extent as estimated by EEI. The only way to truly resolve this issue is to conduct further analysis to understand how water will flow in Oswego's system.

A few issues remain before staff can present a complete assessment and recommendation regarding the choice between the Fox River and Lake Michigan Water. Staff proposes to enter into a contract with AECOM to study the issues. Oswego has not yet studied what improvements will be needed to the internal distribution system under either option. The wells are distributed throughout the Village so there is no need to have internal transmission pipes. Under the Fox River option, the Village will need to maintain its wells. The Village will transmit raw water from the wells to the treatment plant where the well water will be mixed with river water and processed. The finished water will then need to be distributed throughout the Village. Staff needs to understand what pipes are needed and how much they will cost. Similarly, if DPWC provides water at the Ogden Falls water tower, staff needs to understand if transmission mains are needed to bring water to the well sites for distribution. The required piping on these options could be significant and is not currently figured into the rate analysis. The analysis will also determine if EEI's concept for the receiving stations is accurate.

In the previous analysis, AECOM conducted a high-level estimate of the cost to install the transmission main for the purposes of the feasibility study. Staff would like AECOM to refine this estimate based upon the selected route, identifying segments under pavement versus field, and determining if there are any additional costs such as placing the main beneath railroad tracks.

Board, staff and AECOM discussion focused on IDNR water allocation takes about a year; more detailed route study needed to determine crossings; fine tuning the numbers; refining the costs; how to distribute water; if using Fox River, will still need to maintain the wells and blend the water; treating the water; making sure there is enough pressure; how to get water to the west of town; connecting with Yorkville and building a back bone; needing to know full costs of both options; whether to keep maintaining the wells and towers; maintenance for existing system is not being studied now; will still use the towers if using Lake Michigan option to help keep the pressure up and assist with fire suppression; if demand increases, may need to add more pumps; needing to cover future needs; pumping stations; staffing needs for a water plant should be added to operating costs; staff doing research and looking at other water plants; population of 90,000 at year 2050; population number was provided by EEI; population number probably way more than needed; on-going maintenance; Lake Michigan option is more scalable; water plant option involves upfront costs and waiting for growth; whether the Village has more time since the growth is not here yet; water tables continue to decrease; Joliet is looking at other options; levels dropping faster than what was projected five years ago. The feasibility study contract with AECOM is included in the April 17, 2018 Regular Village Board agenda for vote. There was no further discussion.

CLOSED SESSION

A motion was made by Trustee Kauffman and seconded by Trustee Parr to enter into Closed Session for the purposes of discussing the following:

- a. Pending and Probable Litigation [5 ILCS 120/2(c)(11)]

- b. Appointment, Employment, Compensation, Discipline, Performance, or Dismissal of Personnel
[5 ILCS 120/2(c)(1)]
- c. Collective Bargaining, Collective Negotiating Matters, Deliberations Concerning Salary Schedules
[5 ILCS 120/2(c)(2)]
- d. Sale, Lease, and/or Acquisition of Property [5 ILCS 120/2(c)(5) & (6)]

Aye: Ryan Kauffman
Pam Parr

Karin McCarthy-Lange
Joe West

Nay: None

Absent: Luis Perez and Judy Sollinger

The motion was declared carried by a roll call vote with four (4) aye votes and zero (0) nay votes.

The Board adjourned to Closed Session at 6:42 p.m.

The Board returned to open session at 7:00 p.m.; all remaining members still present.

ADJOURNMENT

A motion was made by Trustee Kauffman and seconded by Trustee Parr to adjourn the meeting; upon a voice vote with all remaining members present voting aye, the meeting was adjourned at 7:00 p.m.

Tina Touchette
Village Clerk