

Village of Wauconda  
Minutes of Public Works Committee Meeting  
Tuesday, August 2, 2011, 6:00 PM

Committee Members Present:

Ken Arnsward, Chair  
John Barbini  
Chuck Black

Mayor and Trustees Present:

Mayor Mark Knigge  
Linda Starkey

Public Works Department Employees Present:

David Geary, Director, Village Administrator  
Jackie Soccorso, Superintendent of Administration  
Alex Pryde, Superintendent of Operations  
Tracy Fessler, Assistant to the Director

Robert Devery, Village Engineer

Meeting called to order at 6:02 P.M. by Chair Arnsward.

The first item on the agenda was the approval of the minutes from the Public Works Committee meeting held on July 12, 2011. No discussion. Motion to approve by Trustee Barbini, second by Trustee Black. Motion carried.

The second item discussed was Lake Michigan Water. Village Engineer Bob Devery provided an update on the status of the Lake Michigan Water project. Mayor Knigge asked Mr. Devery to begin with a review of the Northwest Water Commission. The Northwest Water Commission (Wheeling, Buffalo Grove, Palatine, Arlington Heights) agreed to investigate adding new members/wholesale purchasers at its July 7<sup>th</sup> Commission meeting. At the September meeting, the Commission plans to have the results of a rate study that should help determine costs for members vs. wholesale purchasers. After the September meeting, Wauconda can formally request an engineering study from the Commission and a willingness to pay for that study. The results of the engineering study, along with the rate study, would help Wauconda to determine the costs associated with obtaining Lake Michigan water from the Northwest water Commission. A plan through the Commission would include the Commission extending water mains to Wauconda and charging Wauconda a proportionate share. The current water rate charged to customers who are members of the Commission is \$1.16 per 1,000 gallons and is expected to go to \$1.20 per 1,000 gallons by the year 2020.

Trustee Barbini stated that obtaining water from the Commission will require a longer run of water main than other potential sources. Mr. Devery responded that the Commission decides who they want to offer water to and that the Commission then dictates the cost share. The Commission will run a pipeline to Wauconda if Wauconda is selected by the Commission and Wauconda accepts. The Commission is very concerned with who they bring on and the ability of that entity to pay.

Mayor Knigge asked of Wauconda needs to pay for the engineering study. Mr. Devery answered that the study id for the Commission to determine who they can sell water to and at what cost. The Commission needs/wants to make sure that the entity or entities selected can pay.

Trustee Starkey asked if Wauconda is at a disadvantage because it is not home-rule when compared to the other towns that obtained IDNR allocations. Mr. Devery answered that no, Wauconda is not at a disadvantage because all of the others that obtained allocations were also not home-rule. The distinction of home-rule vs not home-rule comes into play when the Commission is determining possible membership offers as opposed to wholesale selling.

Mayor Knigge asked if the water rate includes infrastructure costs. Mr. Devery responded that the rate may or may not include infrastructure costs. There are two options: 1) water rate plus a connection fee or 2) water rate includes connection fee. Mayor Knigge asked what the total cost of the project may be. Mr. Devery responded that no matter who Wauconda obtains Lake Michigan water from, the total cost for the project is estimated to be \$40M.

Mr. Devery then moved on to update the Committee on the latest CLCJAWA meeting. The idea of connection fees was based on allocation. The estimate is that in 2015, the connection fee would be \$16M, and along with other costs, the total project cost would be around \$40M. CLCJAWA outlined a 4-step process regarding membership expansion. The CLCJAWA Board approved an excess capacity of 7.03 MGD. Step 3 of the process will be where CLCJAWA determines the list of entities that they will offer water to. Mr. Devery believes they are looking at two options: 1) Wauconda and Lake Zurich and 2) Lindenhurst and Lake Villa.

Mayor Knigge asked of the CLCJAWA will take into consideration population projections from CMAP. Mr. Devery said that yes, those will be factored in and discussed at a CLCJAWA meeting.

Trustee Barbini asked if the four source options for obtaining Lake Michigan water could be placed into a table or excel spreadsheet to better compare the options. Mr. Devery stated that yes, this can be done. However, right now, the info Wauconda is receiving is very sketchy, not reliable, and subject to change. As far as numbers go, it is really too early to have anything firm. This is because there is no firm offer on the table yet. The various sources of Lake Michigan water are determining what is in their best interest before making Wauconda an official offer.

Trustee Barbini asked when the Board needs to start making decisions. Mr. Devery responded that decisions regarding Wauconda's desire to participate financially in feasibility studies with the various sources (water suppliers) are at the forefront. The cost per study could be \$50K. If Wauconda participated in three studies, at a total cost of \$150K, this \$150K out of a \$40M project may not be objectionable.

Administrator Geary stated that he has had meetings with the Village of Northbrook as a potential supplier of Lake Michigan water. He also stated that he would be meeting with the Finance Director, Zaida Torres and Kevin McKenna from Spears Financial to discuss the financing options available to the Village. Administrator Geary wants to know the binding capacity of the Village. He plans to bring forth info on financing options to the Finance

Committee. Mayor Knigge stated that Wauconda will need to choose a source for Lake Michigan water by next year. Mr. Devery stated that CLCJAWA could get Wauconda water as soon as this year, if Wauconda is selected by them and Wauconda agrees. Wauconda has \$10M of infrastructure improvements to make internally and if not completed when the water is ready, Wauconda still has to pay for the water. Wauconda needs to get Lake Michigan water by 2015 or IDNR might re-tract the allocation. If Wauconda is making significant progress, then they may not so this. If not, then Wauconda may lose its allocation.

Mr. Devery then discussed the concept of sustainability. He stated that Wauconda should look for a sustainable solution for its water supply. The problem Wauconda is facing is that if it needs to expand its water supply, ground water may not be the most viable option. If Wauconda needed to expand its water supply, additional deep wells would need to be constructed. Currently, the Village has three deep wells (#7, #8, #9). But deep wells have radium which has to be removed. It can be removed effectively, but will become more costly for disposal as State regulations become more restrictive. Wauconda could not really construct any additional shallow wells. To meet projected year 2030 water demands, Wauconda would need to construct 5-7 additional shallow water wells. This would cost \$5-7M and would have impact on surrounding communities who also have shallow wells. This was the reason that wells #7, #8, and #9 (Liberty Lakes area) were deep and not shallow. An additional consideration is the landfill site. The landfill leachate plume is in the shallow aquifer. Administrator Geary stated that another community has already had some of its wells run dry. Mr. Devery stated that surface water is better quality than groundwater. Groundwater is harder than Lake Michigan water. In terms of sustainability, the ability to have redundancy in the water system is a good idea. Water conservation plays a part in recycling water: harvesting rainwater and re-use of gray water.

Trustee Barbini suggested that future discussion of Lake Michigan water should be at Committee of the Whole meetings and not at the committee level. He thinks all trustees need to hear this information.

Trustee Barbini moved to adjourn the meeting. Second by Trustee Black.

Meeting adjourned at 6:58 P.M.

Respectfully submitted,

Jackie Soccorso

Copies to:

Mayor Knigge; Ken Arnsward, Chair; Village Board members; Administrator/Director Geary