

**MINUTES OF THE COMMITTEE-OF-THE-WHOLE MEETING
OF THE GURNEE VILLAGE BOARD**

**GURNEE VILLAGE HALL
FEBRUARY 26, 2018**

Call to Order

Mayor Kovarik called the meeting to order at 7:00 p.m.

Other Officials in Attendance

Patrick Muetz, Village Administrator; David Ziegler, Assistant Village Administrator/Community Development Director; Bryan Winter, Village Attorney; Jack Linehan, Assistant to the Village Administrator; Brian Gosnell, Finance Director; John Kavanagh, Fire Chief; Kevin Woodside, Police Chief; Scott Drabicki, Village Engineer

Roll Call

PRESENT: 6- Ross, Garner, Balmes, Hood, Thorstenson, Jacobs
ABSENT: 0- None

**A. DISCUSSION
ITEMS**

1. Presentation by Darrell Blennis Jr., Executive Director, Central Lake County Joint Action Water Agency – Agency overview regarding production capacity, excess water reserves and future water sales.

The Mayor introduced Mr. Blennis stating that she, along with Trustee Balmes represent the Village Board. Mr. Blennis' presentation included the following updates:

North Groups expansion including Lindenhurst, Lake Villa, Grandwood Park and Fox Lake Hills

- Grandwood Park: Water Delivery in July 2017
- Lindenhurst: Water Delivery in December 2017
- *Lake Villa: Water Delivery anticipated in February 2019
- *Fox Lake Hills: Water Delivery anticipated in February 2019
- All contracts have been awarded
- \$35 million in connection fees to CLCJAWA

* Delay in land acquisition and easements

West Group, including Wauconda and Volo

- Water Delivery anticipated in Summer of 2019
- 2 of 5 contracts awarded
- Remaining contracts to be advertised in next couple of months
- Land acquisition and easements nearly complete
- \$15 million in connection fees to CLCJAWA (earmarked for capacity improvements)

Capacity for More Expansion

- Is there water available?
 - Capacity vs demand
- Can this be achieved without jeopardizing the charter members?
 - Would the system be at risk?
- What are the benefits to more customers?
 - Financial benefits include:
 - Lower rates
 - Infusion of connection fees for capital projects.
- What are the downsides to more customers?
 - Additional wear and tear on the system
 - Additional new members would “water” down the influence of the Charter Members
 - Unforeseen changes in water consumption

Mr. Blennis presented long range plan showing flow projections of the North and West Groups that include projected average and maximum daily flow and how they relate to the yearly projection.

Mr. Blennis also talked about system capacity, demand, MGD (millions of water per day) reserves, water surplus and how it affects the Charter Members, North Group Members and West Group Members. He further stated that as a result of the surplus water (7.07 MGD), other communities have expressed an interest in joining JAWA or buying JAWA water. A detailed plan has been put together on how to evaluate future sales including a series of approved criteria

and weighting factors at the Mayor's request.

Next Steps Include

- Comprehensive Plan Update
 - Phase I - New Sales Evaluation Criteria and Framework - Completed
 - Phase II - Reliability & Redundancy Improvements - Target Completion Date - Summer of 2019 with Milestones throughout 2018.
 - Transmission System Reliability/Redundancy - Summer of 2018
 - Water Production Reliability/Redundancy - Winter of 2018
 - Interconnections with other Lake Michigan Water Suppliers - Winter 2018
 - Existing pipeline condition assessment - Summer of 2019
- New Sales Workshop/Discussion
 - Pursue new sales? Let the Mayors decide.
 - Customer versus Member

In conclusion, Mr. Blennis stated that JAWA can leverage further expansion to address infrastructure needs, capacity improvements, redundancies and liability improvements or stick with the current plan, which is to maintain the backup supply.

Questions/Comments

Trustee Jacobs asked about the accuracy of projections and the consequences if they were off. Mr. Blennis stated he feels very confident that the accuracy of the demand projections are very conservative.

Trustee Thorstenson asked about new higher excessive water usage businesses and how they factor into the demand model. Mr. Blennis stated that residential use is declining which offsets commercial increases.

Trustee Thorstenson asked if the members decide what the fees of the excessive water usage businesses would be. Mr. Blennis stated that the Village sets the rate.

Trustee Ross asked if the North and West Groups are members. Mr. Blennis stated yes, they are voting members and the number of members is 13.

Trustee Balmes asked if there is enough land available to expand. Mr. Blennis stated that have enough land.

Trustee Balmes asked if there is limit to how much Lake Michigan water can be taken in. Mr. Blennis stated that every community has a Lake Michigan allocation permit and each member operates accordingly.

Trustee Garner asked why we should sell our extra capacity. Mr. Blennis stated the financial benefits would include more sales, lower rates, connection fees, etc. The downside would be more wear and tear on the equipment and potential unforeseen change in demand.

Trustee Garner asked if the proposal is reversible. Mr. Blennis stated that a customer contract, including term dates with options could be built into the agreement.

Trustee Garner asked what is the percentage of potential savings per gallon of water. Mr. Blennis stated 10-15% on the rate alone.

Trustee Ross asked about connection fees for new members. Mr. Blennis stated that it is a contractual obligation that new members be charged a connection fee.

Trustee Thorstenson asked if there are any unforeseen health concerns regarding the water. Mr. Blennis stated that Lake Michigan is a pristine source of drinking water and JAWA has one of the most advanced processes in the country and that the drinking water is in

Trustee Hood exited the meeting at 7:20 p.m.

the top 1% water quality in the world.

The Mayor concluded stating that Mr. Muetz will forward the detailed report to each Board member for their review and comment before presenting a unified position paper to CLCJAWA.

Public Comment(s) None

Closing Comments Administrator Muetz reminded the Board of the upcoming Budget meeting, Monday, March 5th, 5 p.m.

Adjournment It was moved by Trustee Balmes seconded by Trustee Garner to adjourn the meeting.

Voice Vote: ALL AYE: Motion Carried.

Mayor Kovarik adjourned the meeting at 7:50 p.m.

**Donna Dallas
Deputy Village Clerk**