

Morton Grove-Niles Water Commission (MGNWC)

MINUTES OF SPECIAL MEETING OF MORTON GROVE-NILES WATER COMMISSION
HELD IN THE VILLAGE OF NILES VILLAGE HALL ADMINISTRATION BUILDING
1000 CIVIC CENTER DRIVE, NILES, ILLINOIS 60714 THURSDAY, DECEMBER 7, 2017

- I. CALL TO ORDER - Commissioner Steven C. Vinezeano called the meeting to order at 10:00 a.m.
- II. ROLL CALL - Commissioner Vinezeano called the roll. Present were Commissioners Steven Vinezeano and John Pietron. There is no Commissioner appointed by Cook County at this time. Quorum is present.
- III. PLEDGE OF ALLEGIANCE - Commissioner Vinezeano led the assemblage in the Pledge of Allegiance.
- IV. APPROVAL OF WARRANTS – Warrant 17-05 for Payment December 07, 2017 in the amount of \$83,477.22.

The Superintendent stated that Stanley Consultants Supplement #1 was adjusted up to \$84,370.00. This would increase the total amount of Warrant 17-05 to \$85,826.64.

Commissioner Pietron called for motion and Commissioner Vinezeano seconded it. Pietron voted Aye and Vinezeano voted Aye to approve Warrant 017-05 as amended.

- V. NEW BUSINESS –
 - a. Ordinance 17-19 Authorizing the Approval of Supplemental Agreement No. 1 to the Professional Services Agreement between the Morton Grove-Niles Water Commission and Stanley Consultants, Inc. for Engineering Services for the Design of Water Transmission Mains and Facility Improvements (Tabled from November 30, 2017).

Commissioner Pietron called for motion and Commissioner Vinezeano seconded it. Pietron voted Aye and Vinezeano voted Aye to approve Ordinance 17-19.
 - b. Resolution 17-20 Authorizing the Appointment of Underwriter Firms relating to the Issuance of Alternate Revenue Bonds in an Aggregate Principal Amount Not to Exceed \$110,000,000 for the Morton Grove-Niles Water Commission.

Commissioner Pietron called for motion and Commissioner Vinezeano seconded it. Pietron voted Aye and Vinezeano voted Aye to approve Ordinance 17-20.

- c. Resolution 17-21 Authorizing the Approval and Execution of the Easement Agreement Between the Metropolitan Water Reclamation District of Greater Chicago and the Morton Grove-Niles Water Commission

Attorney Liston stated that there was an appraisal done by MGNWC for the property, but the MWRD real estate division must still review it with their attorneys. The Resolution allows the Chair to make some changes that may be unusual because it impacts the easement amount by 20%. Due to the timeline (as related to securing the IEPA Loan), this must occur. Village Administrator Czerwinski outlined what he sees as the benefits of the agreement. It was discussed that the Commission did not have to purchase land and pay property taxes, which was a savings to the Commission. Attorney Liston discussed how there was \$3M budgeted for land and only \$795k was spent on the Nagle site and the costs associated with this easement will be built into the water rate over 40-years. Superintendent Balling stated that the Commission's application to the Village of Skokie to approve a Special Use Permit for the MWRD site will be presented to Skokie Plan Commission on the 21st of December and is a key piece to getting the necessary variance. The easement comes with an escalator of CPI.

Superintendent Balling was asked to read the following into the record from Commission Attorney Michael Jurusik:

Article 1:

- Seventy (70) year non-exclusive easement to construct, install, reconstruct, operate, maintain, replace, repair and remove a water distribution system pump station and related infrastructure improvements (electrical and mechanical components, pipes, valves, vaults and meters).
- Initial Annual Easement Fee: \$31,156 (Pump Station Site Permanent Easement per September 9, 2017 Enright appraisal: \$10,910.00 (\$20.00 per square foot at 5,455 square feet = \$109,100 x 10%); Permanent Easements #1 and #2 for infrastructure: \$20,246 per December 6, 2017 Enright appraisal), which is payable contemporaneously with MGNWC's execution and delivery the Easement Agreement. This amount represents the "Annual Easement Fee" for the period from the Effective Date of the Easement Agreement through December 31, 2018 ("Initial Term Year").

- Temporary Easement Fee: \$28,625.00 per year (Temporary Easements #1 to #4 per December 6, 2017 Enright appraisal)).
- For each subsequent calendar year, the Annual Easement Fee shall be adjusted by a CPI factor / escalator (Consumer Price Index for the Chicago Metropolitan Area a/k/a “Chicago All Items Consumer Price Index for All Urban Consumers” (CPIU)).
- MGNWC shall pay all real estate taxes and assessments levied, charged or imposed against the Easement Premises (if any).

Article 2:

- Construction, installation, reconstruction, maintenance, repair, replacement and removal of the Improvements and Facilities of the MGNWC on the Easement Premises shall be completed be in accordance with the District-approved plans and specifications, or any District-approved amendments, at MGNWC’s expense.
- No work shall commence until said plans and specifications (any amendments) are approved by the Executive Director of the District.
- MGNWC shall compensate the District for any incurred and documented additional costs that the District may sustain in any future construction of sewers, reservoirs or any other surface or underground structures directly caused by the presence of the Improvements and Facilities of the MGNWC on the Easement Premises.
- Upon three (3) month advanced notice by the District for identified District purposes, MGNWC must relocate or remove its Improvements and Facilities existing or constructed upon the Easement Premises at no cost to the District. (It was discussed that this is very unrealistic due to the level of other agency underground infrastructure in the same area).

Article 3:

- Grant of non-exclusive easement rights to the MGNWC in the Easement Premises.
- MGNWC indemnification, defense and hold harmless obligations in favor of the District for any MGNWC Project work that causes any liability or claims or losses for the District.
- Insurance requirements.

Article 4:

- Default provision and thirty (30) day cure provision.
- Termination option provision for the MGNWC the MGNWC may send a notice of termination to the District at any time and then shall have one-hundred twenty (120) calendar days to remove

- the Improvements and Facilities and to restore the Easement Premises land to its original condition at no cost to the District.
- Upon expiration of the Agreement Term, MGNWC is obligated to remove its Improvements and Facilities and restore the Easement Premises land to its original condition at no cost to the District.
 - Prior to entering into possession of Easement Premises, MGNWC shall execute and file with the District its performance bond in the sum of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00).

Article 5:

- MGNWC agrees to pay the District for any additional expense for additional work which the District would not have had to incur if this Easement had not been executed.

Article 6:

- Plan Review and approval process for subsequent construction or material alteration of the MGNWC's Improvements and Facilities.
- Notice provision to the parties.

Article 7:

- Compliance with laws, permit and code regulations.
- Protection of District facilities.
- Tree mitigation obligations.

Article 8:

- Assignment provision.

Article 9:

- Environmental Due Diligence Provisions.
- Termination provisions per the Environmental Due Diligence activities.
- Ninety (90) day due diligence period (starts as of the approval date of the Easement Agreement) for the MGNWC to complete its phase one and phase two environmental assessments and to provide notice to the District if it is going to terminate the Easement Agreement or not.
- The MGNWC is responsible for all environmental remediation that reveals or causes any release of existing environmental contamination or hazards or creates any environmental contamination or hazards.

- The District may terminate the Easement Agreement based on the content of the MGNWC's phase one and phase two environmental assessments.

Commissioner Pietron asked about Article 4 and whether or not a reserve should be put aside to protect against this case. It was stated how it would be extremely costly, but the action would be very unlikely due to the extreme impact on the users associated with it.

Attorney Liston stated that the Commission should be moving sooner on the environmental. Also, these points should be shared with Larry Thomas to help prevent any delays on permitting.

Commissioner Pietron called for motion and Commissioner Vinezeano seconded it. Pietron voted Aye and Vinezeano voted Aye to approve Ordinance 17-21.

VI. PUBLIC COMMENT - NONE

VII. ADJOURNMENT - Commissioners approved unanimously 2-0 to adjourn at 10:25 p.m.