

## **ORDINANCE NO.**

### **ORDINANCE APPROVING A WATER SUPPLY AGREEMENT WITH THE CITY OF CHICAGO AND AGREEMENTS FOR EASEMENTS AND RIGHTS OF ACCESS WITH THE CITY OF CHICAGO AND THE CHICAGO PARK DISTRICT FOR THE PLACEMENT OF THE CHICAGO CONNECTION FACILITIES AT THE SOUTHWEST PUMPING STATION AND DURKIN PARK SITES AND PAYMENTS AND OTHER ACTIONS FOR THE IMPLEMENTATION OF THE AGREEMENTS**

**WHEREAS**, the City of Joliet's existing water source, the deep groundwater aquifer, will be depleted to the point of not being able to meet the City's maximum day water demands by the year 2030; and

**WHEREAS**, the City conducted a comprehensive, two-phase alternative water source study beginning in July 2018 which evaluated fourteen possible water source alternatives including groundwater, rivers and Lake Michigan; and

**WHEREAS**, in January 2020, the City Council approved its Resolution No. 7489, in which the City Council directed City staff to proceed with implementing a Lake Michigan water source with simultaneous investigation of two alternatives: a New Indiana Intake and the Chicago Department of Water Management ("DWM"); and

**WHEREAS**, in April 2020, the City Council approved retaining the firm of Stantec Consulting Services, Inc. to conduct the Alternative Water Supply Program, including the firms of Crawford Murphy & Tilly, Strand Associates, Inc., Engineering Enterprises, Inc., Cornwell Engineering Group, V3 Consultants, and Images, Inc. as subcontractors, (collectively, the "Consulting Team") to analyze the New Indiana Intake Alternative and the Chicago DWM Alternative as potential sources of supply in further detail to prepare and present a report and recommendations to the City Council; and

**WHEREAS**, following further investigation of the New Indiana Intake and Chicago DWM alternatives, the City Council received written reports from the Consulting Team with an extensive analysis of each of the New Indiana Intake and Chicago DWM alternatives and heard presentations from the Mayors of both Chicago and Hammond; and

**WHEREAS**, in connection with analyzing the Chicago DWM alternative, City staff and the Consulting Team engaged in discussions with representatives of Chicago regarding many key business and financial terms under which an agreement could be established to enable the delivery of treated Lake Michigan water from Chicago DWM to Joliet for distribution, including the location of the connection facilities to the Chicago water system near Chicago's Southwest Pumping Station, located near the intersection of 84<sup>th</sup> Street and Kedvale Avenue in Chicago; and

**WHEREAS**, based on the information provided to and reviewed by the City Council, the City Council determined that establishing a long-term water supply agreement for a supply of Lake Michigan water from the Chicago DWM will be in the best interests of the City of Joliet; and

**WHEREAS**, in January 2021, the City Council selected the Chicago DWM alternative and approved Resolution No. 18184, approving a “Preliminary Agreement with Respect to an Anticipated Water Supply Agreement Between The City Of Chicago and The City Of Joliet,” which was also approved by the Chicago City Council (“Preliminary Agreement”), which provided a basis for an ongoing, long-term agreement between the City of Chicago and Joliet that would facilitate the provision of a new, safe, clean and reliable source of Lake Michigan water supply to Joliet; and

**WHEREAS**, over the past two years, staff and the Consulting Team have engaged in negotiations to establish a comprehensive, ongoing, long-term water supply agreement between the City of Chicago and the City of Joliet for a Lake Michigan water supply (“Water Supply Agreement”), resulting in a more complete and advanced set of key terms, which are contained in a proposed Water Supply Agreement Between the City of Chicago and the City of Joliet, a copy of which is attached to and made a part of this Ordinance as Exhibit A; and

**WHEREAS**, the Water Supply Agreement provides that Chicago and Joliet agree to work together in a coordinated approach to meet the long-term water supply needs of Joliet and the surrounding southwest suburban region; and

**WHEREAS**, the delivery of water by Chicago to Joliet will require new water supply infrastructure (“New Water Supply Infrastructure”) and the Water Supply Agreement provides for cooperation between the City of Joliet and the City of Chicago in a coordinated approach to the design, financing and construction of the required New Water Supply Infrastructure, in order to enable Chicago to provide a supply of Water to Joliet by January 1, 2030; and

**WHEREAS**, the Water Supply Agreement provides that Joliet and Chicago have agreed to cooperate in developing a coordinated approach to the operation and maintenance of the portions of the New Water Supply Infrastructure located in Chicago; and

**WHEREAS**, the Water Supply Agreement provides that the cost of Water to be charged by Chicago to Joliet will be based on the cost of providing water service by Chicago to Joliet pursuant to the then-generally recognized principles and practices in the American Water Works Association Manual of Water Supply Practices M1, Principles of Water Rates, Fees, and Charges, and as further provided in the Water Supply Agreement; and

**WHEREAS**, the Water Supply Agreement provides that Chicago and Joliet are committed to a transparent and collaborative long-term relationship for a supply of Water to Joliet, and Chicago has agreed to assist Joliet in matters necessary and appropriate for implementation of the Water Supply Agreement; and

**WHEREAS**, Chicago has established the Advisory Council as part of its commitment to deepening regional cooperation and collaboration, as such collaboration efforts are reflected in the Water Supply Agreement and specifically in Section 24.2; and

**WHEREAS**, in February 2022, the City Council approved Resolution No. 7736, in which it approved the “Preliminary Agreement Regarding Formation of a Regional Water Commission” with the City of Crest Hill and the Villages of Channahon, Minooka, Romeoville and Shorewood, in which the City and those municipalities have agreed to establish a regional water commission to provide a source of supply to all six municipalities, and the proposed Water Supply Agreement establishes a process by

which Joliet will be able to assign the Water Supply Agreement to the regional water commission after the commission's formation; and

**WHEREAS**, as part of the negotiations with Chicago, staff and the Consulting Team have examined conceptual and preliminary designs in connection with determining the space needs and New Water Supply Infrastructure necessary to connect to the Chicago water system near the Southwest Pumping Station in Chicago; and

**WHEREAS**, concurrent with the negotiation of the Water Supply Agreement, staff and the Consulting Team have engaged in negotiations for necessary permanent and temporary easements for the construction and permanent placement of certain elements of the New Water Supply Infrastructure on the site of the Southwest Pumping Station and portions of Durkin Park, as follows:

- for permanent and temporary easements and continued rights-of-access on the site of the Southwest Pumping Station, which site is owned by the City of Chicago, resulting in a proposed "Easement Agreement for Two Permanent Easements and Seven Temporary Easements at the City of Chicago Southwest Pumping Station Property" between the City of Chicago and the City of Joliet, a copy of which is attached to and made a part of this Ordinance as Exhibit B;
- for permanent easements and continued rights-of-access on a two-acre portion of Durkin Park, which is located immediately to the west of and adjacent to the site of the Southwest Pumping Station, which portion of the Park will be owned by the City of Chicago and leased to the Chicago Park District for continued use of the surface of the two acres as a public park, resulting in a proposed "Easement Agreement for Durkin Park Between the City of Chicago and the City of Joliet," a copy of which is attached to and made a part of this Ordinance as Exhibit C; and
- for three temporary easements during periods of initial construction and major future maintenance and repair on portions of Durkin Park owned by the Chicago Park District and continued rights-of-access during periods of construction, resulting in a proposed "Agreement for Construction Easements for Durkin Park" Between the Chicago Park District and the City of Joliet, a copy of which is attached to and made a part of this Ordinance as Exhibit D;

(collectively, the "Easements"); and

**WHEREAS**, it may also be necessary to obtain additional permits from or agreements with the Chicago Park District for rights-of-access nearer to the time of construction; and

**WHEREAS**, pursuant to these easement agreements, the City of Joliet will make payments to the City of Chicago and the Chicago Park District for the agreed-upon value of the Easements, and an additional payment to the Chicago Park District in recognition of the disruption of the use of the southern portion of Durkin Park, in particular the two-acre parcel and the construction easements, which amount the Chicago Park District will use to construct improvements at other District locations in the area (which may include other portions of Durkin Park that are not part of the two-acre parcel and the construction easement areas) to accommodate increased demand due to the unavailability of the affected portions

of Durkin Park. The amounts paid to City of Chicago and the Chicago Park District for the Easements are subject to adjustment due to changes in the land area included within each Easement and changes in the periods of use of temporary easements by Joliet; and

**WHEREAS**, the City Council has determined that acquiring these Easements and entering into the easement agreements and any additional permits and agreements for rights-of-access are necessary in order to deliver Lake Michigan water from Chicago DWM to the City of Joliet; and

**WHEREAS**, the City Council finds and determines that entering into the Water Supply Agreement with the City of Chicago and the Easements with the City of Chicago and the Chicago Park District will protect the public health, safety and welfare, and provide a sustainable, reliable, high-quality water supply for the City of Joliet that can be ready to deliver Lake Michigan water to the Joliet water system by the year 2030.

**NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF JOLIET, ILLINOIS, PURSUANT TO ITS HOME RULE AND STATUTORY AUTHORITY, AS FOLLOWS:**

**SECTION 1: RECITALS.** The foregoing recitals are hereby incorporated into and by this reference made a part of this Ordinance as findings of the City Council.

**SECTION 2: APPROVAL OF PRELIMINARY AGREEMENT WITH RESPECT TO AN ANTICIPATED WATER SUPPLY AGREEMENT.** The proposed Water Supply Agreement Between the City of Chicago and the City of Joliet, in a form substantially similar to Exhibit A, is hereby approved and the Mayor and City Clerk are hereby authorized and directed to sign and seal at least two copies of the Water Supply Agreement.

**SECTION 3: APPROVAL OF THE EASEMENTS.** The following proposed agreements are hereby approved and the Mayor and City Clerk are hereby authorized and directed to sign and seal at least two copies of each of the agreements:

- A. "Easement Agreement for Two Permanent Easements and Seven Temporary Easements at the City of Chicago Southwest Pumping Station Property" between the City of Chicago and the City of Joliet, in a form substantially similar to Exhibit B;
- B. "Easement Agreement for Durkin Park" between the City of Chicago and the City of Joliet, in a form substantially similar to Exhibit C; and
- C. "Agreement for Construction Easements for Durkin Park" between the Chicago Park District and the City of Joliet, in a form substantially similar to Exhibit D.

**SECTION 4: APPROVAL OF RIGHT-OF-ACCESS PERMITS AND AGREEMENTS.** The City Manager is hereby authorized to obtain and enter into right-of-access permits and/or agreements with the Chicago Park District in connection with the Easements on Durkin Park.

**SECTION 5: APPROVAL OF EASEMENT PAYMENTS.** The following payments are required to be paid by Joliet pursuant to the Easements and are hereby approved and authorized for payment as provided by the terms of the Easements: (A) to the City of Chicago pursuant to Exhibit B: \$430,275;

(B) to the City of Chicago pursuant to Exhibit C: \$549,425; and (C) to the Chicago Park District pursuant to Exhibit D: \$1,862,617.

**SECTION 6: SEVERABILITY.** This Ordinance and every provision thereof shall be considered separable and the invalidity of any section, clause, paragraph, sentence or provision of the Ordinance shall not affect the validity of any other portion of this Ordinance.

**SECTION 7: EFFECTIVE DATE.** This Ordinance shall be in full force and effect from and after its passage and approval by the corporate authorities of the City of Joliet and publication in the manner provided by law.

**PASSED** this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_ MAYOR \_\_\_\_\_ CITY CLERK

**VOTING YES:** \_\_\_\_\_

**VOTING NO:** \_\_\_\_\_

**NOT VOTING:** \_\_\_\_\_

**EXHIBIT A**

**WATER SUPPLY AGREEMENT**  
**BETWEEN THE CITY OF CHICAGO AND THE CITY OF JOLIET**

**EXHIBIT B**

**EASEMENT AGREEMENT FOR TWO PERMANENT EASEMENTS  
AND SEVEN TEMPORARY EASEMENTS  
AT THE CITY OF CHICAGO SOUTHWEST PUMPING STATION PROPERTY  
BETWEEN THE CITY OF CHICAGO AND THE CITY OF JOLIET**

**EXHIBIT C**

**EASEMENT AGREEMENT FOR DURKIN PARK  
BETWEEN THE CITY OF CHICAGO AND THE CITY OF JOLIET**

**EXHIBIT D**

**AGREEMENT FOR CONSTRUCTION EASEMENTS FOR DURKIN PARK  
BETWEEN THE CHICAGO PARK DISTRICT AND THE CITY OF JOLIET**