

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by
5 adding Division 135.5 in Article 11 as follows:

6 (65 ILCS 5/Art. 11 Div. 135.5 heading new)

7 DIVISION 135.5. REGIONAL WATER COMMISSIONS

8 (65 ILCS 5/11-135.5-1 new)

9 Sec. 11-135.5-1. References to Division. This Division may
10 be referred to as the Regional Water Commissions Act.

11 (65 ILCS 5/11-135.5-5 new)

12 Sec. 11-135.5-5. Findings. The General Assembly finds
13 that:

14 (1) It is necessary and in the public interest to help
15 assure a sufficient and economic supply of a source of
16 water of suitable quality within those areas of this State
17 that are dependent on ground water supply from portions of
18 the Cambrian-Ordovician aquifer as well as shallow
19 aquifers, and where those aquifers are expected not to be
20 able to provide a sufficient supply of water or water of
21 suitable quality to one or more municipalities which may

1 be located in more than a single county, and where,
2 because of economic development and population growth and
3 proximity to large urban centers, the health, safety, and
4 welfare of the residents is threatened by the continuing
5 reduction in the amount of ground water and quality of
6 ground water that can be obtained from the aquifers.

7 (2) Because of a need to provide such municipalities a
8 continuing, available, and adequate source and supply of
9 water on an economically viable basis, it is necessary and
10 desirable to establish a different structure for
11 municipalities in the affected region to jointly establish
12 a source of water supply and the necessary waterworks and
13 other supporting facilities as needed to provide a
14 reliable, sustainable, and high-quality source of water on
15 a cost-effective basis.

16 (3) It is not the intent of the General Assembly to
17 interfere with the structure and operation of other water
18 commissions and county water commissions already existing
19 around the State on the effective date of this amendatory
20 Act of the 102nd General Assembly or to interfere with the
21 power of municipalities to provide for the retail
22 distribution of water to its residents or the customers of
23 its water systems.

24 (4) It is in the State's best interest to provide for a
25 sufficient and economic supply of water to such areas.

1 (65 ILCS 5/11-135.5-10 new)

2 Sec. 11-135.5-10. Regional water commissions.
3 Municipalities may enter into joint efforts to acquire,
4 develop, and operate a waterworks system or a common source of
5 supply of water, or both, through intergovernmental
6 cooperation in a regional water commission as provided in this
7 Division.

8 (65 ILCS 5/11-135.5-15 new)

9 Sec. 11-135.5-15. Establishment of commission; members;
10 initial costs and funding.

11 (a) Establishment of commission. Two or more
12 municipalities, at least one of which is located in whole or in
13 part in the county of Cook, Kane, Kendall, Lake, McHenry, or
14 Will and has 140,000 or more inhabitants at the time of
15 establishment of a regional water commission, excluding cities
16 of 500,000 or more inhabitants, may acquire, either by
17 purchase or construction, a waterworks system or a common
18 source of supply of water, or both, and may operate jointly a
19 waterworks system or a common source of supply of water, or
20 both, and improve and extend the same, as provided in this
21 Division. The municipality meeting the requirement to have
22 140,000 or more inhabitants as required by this paragraph must
23 have attained that population as of the effective date of this
24 amendatory Act of the 102nd General Assembly.

25 The corporate authorities of the municipalities desiring

1 to avail themselves of the provisions of this Division shall
2 establish a regional water commission by adopting an ordinance
3 determining and electing to acquire and operate jointly a
4 waterworks system or a common source of supply of water, or
5 both, as the case may be, and approving an intergovernmental
6 agreement among the municipalities establishing the regional
7 water commission. This agreement may be amended at any time
8 upon the adoption of concurring ordinances by the corporate
9 authorities of all member municipalities.

10 (b) Addition or withdrawal of members; dissolution. The
11 agreement may provide for additional municipalities to join
12 the commission upon adoption of an ordinance by the corporate
13 authorities of the joining municipality and, upon such
14 consents, conditions, and approvals of the board of
15 commissioners and of existing member municipalities as shall
16 be provided in the agreement. The agreement shall provide the
17 manner and terms on which a municipality may withdraw from
18 membership in the commission and on which the commission may
19 terminate and dissolve in whole or in part.

20 (c) Filing of agreement. Promptly upon entering into the
21 agreement or any amendment to it, a copy of such agreement or
22 amendment shall be filed in the office of the Secretary of
23 State. Promptly upon the addition or withdrawal of a
24 municipality, or, upon the dissolution of the commission, that
25 fact shall be certified by an officer of the commission to the
26 Secretary of State.

1 (d) Development costs. A municipality whose corporate
2 authorities adopted an ordinance and approved an
3 intergovernmental agreement to acquire and operate jointly a
4 waterworks system or a common source of supply of water, or
5 both, as the case may be, under the provisions of this
6 Division, may from time to time pay, advance, or obligate
7 itself to the commission to bear a proportionate share of the
8 development costs, including principal and interest, of any
9 project proposed by the commission, including plans,
10 feasibility reports, and engineering, even if the project is
11 never constructed or water is never supplied by the commission
12 to such municipality.

13 Whenever the corporate authorities of a municipality
14 determine that the municipality will pay, advance, or be
15 obligated for its proportionate share of development costs as
16 provided in this subsection, they shall adopt an ordinance
17 declaring their intention that the municipality will do so,
18 fix the maximum amount of the municipality's share of the cost
19 the municipality proposes to pay or that the municipality will
20 advance or to obligate the municipality for, the period over
21 which it is proposed to pay the obligation (not exceeding 10
22 years), and the maximum amount to be paid annually, if such
23 obligation is to be paid in installments. The time of payment
24 of any such installment obligation may be extended for a
25 period not exceeding 10 years from the final maturity date of
26 the original obligation. On and after the date such ordinance

1 becomes effective, the municipality shall include an amount
2 sufficient to pay the annual installments of its obligation
3 each year in the next succeeding appropriation ordinances. The
4 commission may require that if any such municipality whose
5 corporate authorities determined to pay, to advance, or to
6 obligate the municipality to the commission for development
7 costs defaults in such payments, advances, or obligations,
8 then the remaining municipalities whose corporate authorities
9 have determined to pay, to advance, or to obligate the
10 respective municipalities to the commission for development
11 costs will be required to pay for all or a portion of the
12 payments, advances by, or obligations of the defaulting
13 municipality. No prior appropriation shall be required for the
14 corporate authorities of a municipality to authorize the
15 payments, advances, or obligations herein provided for.

16 Whenever the corporate authorities of a municipality have
17 obligated the municipality for development costs as herein
18 provided and after the effective date of the ordinance under
19 which the municipality became obligated for a specific amount
20 for development costs of a project and after approval of such
21 obligation by the commission, the commission is authorized to
22 borrow funds temporarily for payment of such development costs
23 in advance of permanent financing. The commission may from
24 time to time and pursuant to an appropriate ordinance or
25 resolution borrow money and issue its interim notes to
26 evidence borrowings for such purpose, including all necessary

1 and incidental expenses in connection therewith.

2 An ordinance or resolution authorizing the issuance of
3 such notes shall describe the project and the development
4 costs to be undertaken and specify the principal amount, rate
5 of interest as authorized under Section 2 of the Bond
6 Authorization Act, and the maturity date, which shall coincide
7 with the due date of the obligations or the installments
8 thereof incurred by the respective municipalities pursuant to
9 this Section not, however, to exceed 10 years from date.

10 Contemporaneously with the issuance of revenue bonds under
11 Section 11-135.5-30, all outstanding interim notes issued for
12 development costs of a project though they have not then
13 matured shall be paid, both principal and interest to date of
14 payment, from funds derived from the sale of revenue bonds for
15 the permanent financing of any such project for which interim
16 notes may have been issued and such interim notes shall be
17 surrendered and cancelled, or, in the alternative, the
18 commission may determine to pay such interim notes out of
19 receipts from other sources available to the commission,
20 including grants and loans.

21 Whenever a member municipality has incurred development
22 costs for a project and has advanced funds or otherwise
23 obligated itself for the payment of such costs, the commission
24 is authorized to accept assignment of such debt instruments
25 and the payment obligations thereunder and to thereafter make
26 all necessary payments to meet such obligations out of

1 receipts from other sources available to the commission,
2 including grants and loans.

3 As used in this subsection, "development costs" means the
4 costs of development of a project, including debt incurred and
5 principal and interest payments, whether incurred by the
6 commission or a member municipality.

7 (e) Construction and operating costs. A municipality, the
8 corporate authorities of which adopted an ordinance and
9 approved an intergovernmental agreement to acquire and operate
10 jointly a waterworks system or a common source of supply of
11 water, or both, as the case may be, under the provisions of
12 this Division, may from time to time pay, advance, or obligate
13 itself to the commission to bear a proportionate share of the
14 construction and operating costs of any project proposed by
15 the commission.

16 Whenever the corporate authorities of a municipality
17 determine that the municipality will pay, advance, or be
18 obligated for its proportionate share of construction or
19 operating costs as above provided, they shall adopt an
20 ordinance declaring their intention to do so, fix the maximum
21 amount of the municipality's share of the cost it proposes to
22 pay, to advance, or to obligate itself for, fix the period over
23 which it is proposed to pay the obligation, and state the
24 maximum amount to be paid annually, if such obligation is to be
25 paid in installments. On and after the date such ordinance
26 becomes effective, the municipality shall include an amount

1 sufficient to pay the annual installments of its obligation
2 each year in the next succeeding appropriation ordinances. The
3 commission may require that if any such municipality whose
4 corporate authorities determined that the municipality will
5 pay, advance, or be obligated to the commission for
6 construction or operating costs defaults in such payments,
7 advances, or obligations, then the remaining municipalities
8 whose corporate authorities have determined that the
9 municipality will pay, advance, or be obligated to the
10 commission for construction or operating costs will be
11 required to pay for all or a portion of the payments, advances
12 by, or obligations of the defaulting municipality. No prior
13 appropriation shall be required for the corporate authorities
14 of a municipality to authorize the payments, advances, or
15 obligations herein provided for.

16 Whenever a municipality, through its corporate
17 authorities, has paid, advanced, or obligated the municipality
18 for development, construction, or operating costs as herein
19 provided, the commission may contract with the municipality,
20 on such terms as may be agreed, for the repayment to the
21 municipality by the commission of any payment or advance made
22 by the municipality to the commission and to charge, in
23 addition to all other charges and rates authorized under this
24 Division, such rates and charges for water sold by the
25 commission as shall be necessary to provide for such
26 repayment. In addition, any payment or advance of such costs

1 made by a municipality pursuant to this Section may be repaid
2 by the commission to the municipality from the proceeds of
3 revenue bonds authorized to be issued by the commission
4 pursuant to this Division or, in the alternative, the
5 commission may determine to pay all or part of such amounts out
6 of receipts from other sources available to the commission,
7 including grants and loans.

8 Whenever a member municipality has incurred construction
9 and operating costs for a project and has advanced funds or
10 otherwise obligated itself for the payment of such costs, the
11 commission is authorized to accept assignment of such debt
12 instruments and the payment obligations thereunder and to
13 thereafter make all necessary payments to meet such
14 obligations from the proceeds of revenue bonds authorized to
15 be issued by the commission pursuant to this Division or, in
16 the alternative, the commission may determine to pay all or
17 part of such amounts out of receipts from other sources
18 available to the commission, including grants and loans.

19 As used in this subsection, "construction and operating
20 costs" means the costs of construction and operation of a
21 project, including debt incurred and principal and interest
22 payments, whether incurred by the commission or a member
23 municipality.

24 (f) Commission facilities. A waterworks system or a common
25 source of supply of water, or both, purchased or constructed
26 by the commission: (1) may be located within or without the

1 corporate limits of any member municipality; (2) may include,
2 or may consist of, without limitation, facilities for
3 receiving, storing, and transmitting water from any source for
4 supplying water to member municipalities and other purchasers
5 of water from the commission; and (3) may include, without
6 limitation, facilities that are developed, acquired,
7 constructed, extended, or improved by the commission that may
8 at any time be owned by another unit of local government if
9 such facilities will serve the waterworks system or provide a
10 common source of supply of water for the commission.

11 (65 ILCS 5/11-135.5-20 new)

12 Sec. 11-135.5-20. Board of commissioners.

13 (a) Appointment of commissioners. Upon the adoption of an
14 ordinance and intergovernmental agreement by the corporate
15 authorities of a municipality under this Division, the mayor
16 or president, with the approval of the corporate authorities,
17 shall appoint a commissioner.

18 (b) Commission. The commissioners so appointed by each of
19 the municipalities shall constitute a commission and a
20 municipal corporation and a public body politic and corporate
21 with the powers and duties specified in this Division. The
22 corporate name of the commission and its duration shall be
23 provided in the agreement, and in such name the commission may
24 contract and be contracted with and sue and be sued. The
25 commissioners shall be collectively referred to as a board of

1 commissioners.

2 (c) Term; qualifications; compensation; bonds. Each
3 commissioner appointed by a mayor or president shall be the
4 mayor or president or an elected member of the corporate
5 authorities of the municipality from which the appointment is
6 made. The agreement establishing the commission shall specify
7 the period during which a commissioner shall hold office and
8 may provide for the appointment of alternate commissioners
9 from member municipalities. No commissioner may receive any
10 compensation for serving as commissioner. Each commissioner
11 shall furnish a bond for the faithful performance of that
12 commissioner's official duties. This bond shall not be less
13 than \$5,000 and its costs shall be paid by the commission.

14 (d) Removal; prohibited interests. Each commissioner may
15 be removed by the corporate authorities of the municipality
16 from which the commissioner was appointed for any cause for
17 which any municipal officer may be removed. No commissioner or
18 employee of the commission and no mayor, president, member of
19 the corporate authorities, or employee of any of the
20 municipalities shall be interested, directly or indirectly, in
21 any contract or job of work or materials, or the profits
22 thereof, or services to be performed for or by the commission.

23 (e) Violations. A violation of this Section is a Class C
24 misdemeanor. A conviction is cause for the removal of a person
25 from office or employment.

1 (65 ILCS 5/11-135.5-25 new)

2 Sec. 11-135.5-25. Board organization and powers.

3 (a) Organization of board. A commission shall organize by
4 electing a chair from among its own members and shall elect
5 persons, who need not be commissioners, to such other offices
6 as shall be designated in the agreement. It shall adopt its own
7 bylaws, rules, and regulations and provide for its meetings.
8 The commission has full and complete supervision, management,
9 and control of the waterworks system or the common source of
10 supply of water, or both, as provided in the agreement and
11 ordinances for acquiring and operating the same, and in their
12 maintenance, operation, and extension. The board of
13 commissioners shall determine the general policy of the
14 commission, shall approve the annual budget, shall make all
15 appropriations (which may include appropriations made at any
16 time in addition to those made in any annual appropriation
17 document), shall approve all contracts for the purchase or
18 sale of water, shall adopt ordinances or resolutions providing
19 for the issuance of bonds or notes by the commission, shall
20 adopt its bylaws, rules, and regulations, and shall have such
21 other powers and duties as may be prescribed in the agreement.
22 Such agreement may further specify the voting and approval
23 requirements for actions regarding the commission's powers and
24 duties, including those powers and actions of the commission
25 which shall be authorized only upon votes of greater than a
26 majority of all commissioners or only upon consents of the

1 corporate authorities of a certain number of member
2 municipalities, or both.

3 The agreement may provide for the establishment of a
4 technical advisory committee to consist of a municipal
5 employee member from each member municipality as designated by
6 ordinance or other official action, from time to time by the
7 corporate authorities of the member municipality, and having
8 the qualifications as prescribed in the agreement, and also
9 may provide for such functions and duties of the committee as
10 will support the efficient administration and operation of the
11 commission.

12 The board of commissioners may establish other committees
13 from time to time, consisting of either members of the board or
14 members who are municipal employees from each member
15 municipality, in order to support the efficient administration
16 and operation of the commission.

17 (b) Water contracts to acquire water supply. A commission
18 may contract to acquire a supply of water on such terms and
19 conditions as it finds in the best interests of the commission
20 for a period not exceeding 101 years. A commission may
21 contract with any person, corporation, political subdivision,
22 municipal corporation, or other governmental or
23 non-governmental entity for a supply of water, and any such
24 political subdivision, municipal corporation, or other
25 governmental entity is authorized to enter into such a
26 contract with the commission. A commission may accept from a

1 municipality that is a member of the commission the assignment
2 of a contract to acquire a supply of water and to accept and
3 perform the duties and obligations and make all payments
4 required pursuant to such assigned contract.

5 A contract made by or assigned to a commission for a supply
6 of water may contain provisions whereby the commission is
7 obligated to pay for such supply of water without setoff or
8 counterclaim and irrespective of whether such supply of water
9 is ever furnished, made available, or delivered to the
10 commission or whether any project for the supply of water
11 contemplated by the contract is completed, operable, or
12 operating and notwithstanding any suspension, interruption,
13 interference, reduction, or curtailment of the supply of water
14 from such project.

15 No prior appropriation shall be required before entering
16 into or accepting assignment of such contract, and no
17 appropriation shall be required to authorize payments to be
18 made under the terms of the contract, notwithstanding any
19 provision of this Code to the contrary. The contract shall not
20 be a debt within the meaning of any statutory or
21 constitutional limitations.

22 (c) Water contracts to provide water supply to members.
23 The commission is authorized to contract with the
24 municipalities which established the commission, and with
25 other municipalities that have become members pursuant to the
26 process established in the intergovernmental agreement, for a

1 supply of water to those municipalities, for a period not
2 exceeding 101 years, and those municipalities are authorized
3 to enter into such contracts with the commission.

4 Any such contract made by a commission and any such
5 municipalities to supply water may contain provisions whereby
6 the purchasing municipality is obligated to pay for such
7 supply of water without setoff or counterclaim and
8 irrespective of whether such supply of water is ever
9 furnished, made available, or delivered to the purchasing
10 municipality or whether any project for the supply of water
11 contemplated by any such contract is completed, operable, or
12 operating and notwithstanding any suspension, interruption,
13 interference, reduction, or curtailment of the supply of water
14 from such project. Any such contract may provide that if one or
15 more of the other purchasers' defaults in the payment of its
16 obligations under the contract or similar contract made with
17 the supplier of the water, the remaining purchasers party to
18 such contract or such similar contract shall be required to
19 pay for all or a portion of the obligations of the defaulting
20 purchaser. Each municipality that enters into such a contract
21 shall be obligated and have the duty to include an amount
22 sufficient to pay the annual amount of its obligation each
23 year in the next succeeding appropriation ordinances. No prior
24 appropriation shall be required for a municipality to
25 authorize the payments, advances, or obligations provided for
26 in such contracts or this subsection.

1 (d) Water contracts to provide water supply to nonmembers
2 and extend system. A commission may supply water to and
3 contract with a person, corporation, political subdivision,
4 municipal corporation, or other governmental or
5 non-governmental entity, in addition to the municipalities
6 which have formed the commission and other municipalities that
7 have become members pursuant to the process established in the
8 intergovernmental agreement, and to construct water
9 transmission and distribution lines within a radius of 25
10 miles outside the corporate limits of member municipalities
11 for the purpose of furnishing water to any additional entities
12 which contract with the commission for a supply of water, upon
13 such payment, terms, and conditions as may be mutually agreed
14 upon. Any such contract shall be a continuing, valid, and
15 binding obligation of the purchaser for such period of years,
16 not to exceed 40, as may be provided in such contract.

17 Any such contract entered into to supply water to a
18 municipal corporation or political subdivision shall provide
19 that the payments to be made thereunder shall be from the
20 revenues to be derived by such municipality or political
21 subdivision from the operation of the waterworks system or
22 combined waterworks and sewer system of such municipality or
23 political subdivision or from receipts from other sources
24 available to the municipality or political subdivision,
25 including grants and loans. Any such contract made by a
26 commission and a purchaser that is such a municipal

1 corporation or political subdivision to supply water may
2 contain provisions whereby the purchaser is obligated to pay
3 for such supply of water without setoff or counterclaim and
4 irrespective of whether such supply of water is ever
5 furnished, made available, or delivered to the purchaser or
6 whether any project for the supply of water contemplated by
7 any such contract is completed, operable, or operating and
8 notwithstanding any suspension, interruption, interference,
9 reduction, or curtailment of the supply of water from such
10 project. The contract may provide that, if one or more of the
11 other purchasers defaults in the payment of its obligations
12 under such contract or similar contract made with the supplier
13 of the water, the remaining purchasers party to such contract
14 or such similar contract shall be required to pay for all or a
15 portion of the obligations of the defaulting purchaser. Each
16 municipal corporation or political subdivision that enters
17 into such a contract shall be obligated and have the duty to
18 include an amount sufficient to pay the annual amount of its
19 obligation each year in the next succeeding appropriation
20 ordinances. No prior appropriation shall be required for a
21 municipality or political subdivision to authorize the
22 payments, advances, or obligations provided for in such
23 contracts or this subsection. Any such contract shall not be a
24 debt within the meaning of any statutory or constitutional
25 limitations.

26 (e) Additional powers. In addition to any other powers set

1 forth in this Division and in the agreement, a commission has
2 the following powers:

3 (1) The power to enter into intergovernmental police
4 assistance agreements with any municipality or county.

5 (2) The power to enter into intergovernmental
6 agreements with any unit of local government or other
7 governmental entity in order to carry out the purposes for
8 which the commission was formed.

9 (65 ILCS 5/11-135.5-30 new)

10 Sec. 11-135.5-30. Revenue bonds.

11 (a) Revenue bonds; power; purposes. A commission may from
12 time to time issue its revenue bonds in such principal amounts
13 as the commission deems necessary to provide sufficient funds
14 to carry out any of its corporate purposes and powers,
15 including, without limitation: developing, acquiring,
16 constructing, extending, or improving a waterworks system or
17 common source of supply of water, or any combination thereof;
18 the funding or refunding of the principal of, redemption
19 premium on, if any, and interest on bonds issued by it, whether
20 or not such bonds or interest to be funded or refunded have or
21 have not become due; the payment of engineering, legal, and
22 other expenses, together with interest to a date one year
23 subsequent to the estimated date of completion of the project;
24 the establishment or increase of reserves to secure or to pay
25 such bonds and interest thereon; the providing of working

1 capital; and the payment of all other costs or expenses of the
2 commission incident to and necessary or convenient to carry
3 out its corporate purposes and powers. These bonds shall have
4 all the qualities of negotiable instruments under the laws of
5 this State and shall not constitute indebtedness of any of the
6 municipalities constituting the commission.

7 (b) Source of payment. Every issue of bonds of a
8 commission shall be payable out of the revenues to be derived
9 pursuant to contracts with the specified municipalities and
10 other purchasers of water or by virtue of the operation of any
11 properties acquired or to be acquired or constructed. A
12 commission may issue such types of bonds as it determines,
13 including bonds as to which the principal and interest are
14 payable from the revenues from one or more projects, or from an
15 interest therein or a right to the products and services
16 thereof, or from one or more revenue producing contracts made
17 by the commission, or its revenues generally. Any such bonds
18 may be additionally secured by a pledge of any grant, subsidy,
19 contribution, or other revenue source from the United States,
20 the State of Illinois, or any unit of local government, or any
21 combination thereof.

22 (c) Receipt of funds by treasurer. Before the treasurer of
23 the commission is entitled to receive the proceeds of the sale
24 of such a bond issue, the treasurer shall supply a corporate
25 surety bond in an amount equivalent to the amount of funds to
26 be derived from the sale of the bonds, and, in addition

1 thereto, the treasurer shall supply a separate corporate
2 surety bond for the faithful accounting of any funds that may
3 come into that individual's possession in an amount equal to
4 the amount of funds likely to come into the treasurer's hands
5 in any one year from the revenue to be derived from the
6 operation of any of the properties of the commission. The cost
7 of these surety bonds shall be paid by the commission. The
8 requirement to supply corporate surety bonds under this
9 subsection does not apply to the extent that the proceeds of
10 the sale of the bonds and other funds are subject to the
11 administration of the trustee pursuant to a trust indenture
12 with a bank or trust company.

13 (d) Approval process; terms. The revenue bonds shall be
14 issued pursuant to an ordinance or resolution, or, in the
15 alternative, pursuant to a master trust indenture as well as a
16 supplemental trust indenture with each issuance, and may be
17 issued in one or more series, and shall bear such date or
18 dates, mature at such time or times within the estimated
19 period of usefulness of the project involved and, in any
20 event, not more than 50 years from the date thereof, bear
21 interest at such rate or rates as authorized under Section 2 of
22 the Bond Authorization Act, which rates may be fixed or
23 variable, be in such denominations, be in such form, either
24 coupon or registered, carry such conversion, registration, and
25 exchange privileges, have such rank or priority, be executed
26 in such manner, be payable in such medium of payment at such

1 place or places within or without the State, be subject to such
2 terms of redemption with or without premium, and contain or be
3 subject to such other terms as the ordinance or resolution, or
4 the master trust indenture or supplemental trust indenture or
5 both, may provide, and shall not be restricted by the
6 provisions of any other law limiting the amounts, maturities,
7 interest rates, or other terms of obligations of public
8 agencies or private persons. The master trust indenture and
9 any supplemental trust indenture shall be entered into with a
10 bank or trust company within or outside the State having trust
11 powers and possessing capital and surplus of not less than
12 \$50,000,000. The bonds shall be sold in such manner as the
13 commission shall determine, at private or public sale. It
14 shall not be necessary that the ordinance or resolution, or
15 the master trust indenture or supplemental trust indenture or
16 both, refer to plans and specifications nor that there be on
17 file for public inspection prior to the adoption of such
18 ordinance or resolution, or the master trust indenture or
19 supplemental trust indenture or both, detailed plans and
20 specifications of the project. This ordinance or resolution,
21 or the master trust indenture or supplemental trust indenture
22 or both, may contain such covenants and restrictions in
23 relation to the operation of the properties under the control
24 of the commission and the issuance of additional revenue bonds
25 thereafter as may be deemed necessary or advisable for the
26 assurance of payment of the bonds thereby authorized and as

1 may be thereafter issued. It shall be plainly stated on each
2 bond that it does not constitute an indebtedness of any
3 municipality represented by the commission within the meaning
4 of any statutory or constitutional limitation. Upon the
5 issuance of revenue bonds, the revenue of the commission
6 derived pursuant to contracts entered into for the sale of
7 water to the municipalities that have formed the commission
8 and to other municipalities that have become members pursuant
9 to the intergovernmental agreement, as well as contracts
10 entered into with other persons, corporations, political
11 subdivisions, municipal corporations, or other governmental or
12 non-governmental entities and from the operation of its
13 properties, shall be accounted for as provided in the
14 ordinance or resolution, or the master trust indenture or
15 supplemental trust indenture or both, authorizing the issuance
16 of the bonds. Any commission created under the provisions of
17 this Division may also issue bonds for the purpose of
18 providing funds for the payment, refunding, or redemption of
19 any of the commission's bonds or notes before, after, or at
20 their maturity, including the payment of redemption premiums
21 or interest accruing or to accrue on such bonds or notes being
22 paid or redeemed, and for the payment of any installments of
23 interest accrued or to accrue on any bond or note.

24 (e) No limitation. The provisions of this Section are not
25 a limit upon a municipality that is a home rule unit.

1 (65 ILCS 5/11-135.5-35 new)

2 Sec. 11-135.5-35. Revenues; rates; costs; construction
3 contracts.

4 (a) Revenue fund. Whenever bonds are issued under this
5 Division, the revenue received from the operation of the
6 properties under the control of the commission shall be set
7 aside as collected and deposited in a separate fund to be used
8 only (1) in paying the cost of the operation and maintenance of
9 those properties, (2) in providing an adequate depreciation
10 fund, (3) in paying the principal of and interest upon the
11 revenue bonds issued by the commission, as provided by this
12 Division, (4) to comply with the covenants of the ordinance or
13 resolution, or the master trust indenture or any applicable
14 supplemental trust indenture or both, authorizing the issuance
15 of such bonds, and (5) to carry out the corporate purposes and
16 powers of the commission.

17 (b) Rates and charges for waterworks system. If the
18 commission has charge of the operation of a complete
19 waterworks system, including the distribution mains, the
20 commission shall establish rates and charges for water and the
21 use of commission waterworks system facilities, which shall be
22 sufficient at all times to pay the cost of operation and
23 maintenance, to provide an adequate depreciation fund, to pay
24 the principal of and interest upon all revenue bonds issued as
25 provided by this Division, to comply with the covenants of the
26 ordinance or resolution, or the master trust indenture or any

1 applicable supplemental trust indenture or both, authorizing
2 the issuance of such bonds, and to carry out the corporate
3 purposes and powers of the commission. Charges and rates shall
4 be established, revised, and maintained by ordinance and
5 become payable as the commission may determine by ordinance.

6 (c) Rates and charges for water source of supply. If the
7 commission has charge of the operation of a common source of
8 supply of water, the municipalities represented by the
9 commission shall contract with the commission for water. These
10 municipalities shall establish such charges and rates for
11 water supplied by them to consumers as will be sufficient at
12 all times (1) to pay the cost of operation and maintenance of
13 the respective waterworks systems (or combined waterworks and
14 sewerage systems) of the municipalities, (2) to provide an
15 adequate depreciation fund therefor, (3) to pay the principal
16 of and interest on all revenue bonds of the municipalities
17 payable from the revenues of the waterworks system (or
18 combined waterworks and sewerage system), and (4) to pay the
19 charges and rates established by the commission for the sale
20 of water by the commission to, and the use of commission
21 waterworks system facilities by, those municipalities. The
22 commission shall establish such charges and rates for water
23 supplied to those municipalities and the use of commission
24 waterworks system facilities as will be sufficient at all
25 times (1) to pay the cost of operation and maintenance of the
26 common source of supply of water, (2) to provide an adequate

1 depreciation fund therefor, (3) to pay the principal of and
2 interest on the revenue bonds issued by the commission, (4) to
3 comply with the covenants of the ordinance or resolution, or
4 the master trust indenture or any applicable supplemental
5 trust indenture or both, authorizing the issuance of such
6 bonds, and (5) to carry out the corporate purposes and powers
7 of the commission, under the provisions of this Division.
8 Contracts entered into between the commission and the
9 specified municipalities shall include covenants for the
10 establishment of rates and charges as provided in this
11 Section.

12 (d) Pension costs. Contributions to a retirement fund or
13 other pension alternative authorized by the Illinois Pension
14 Code, including, without limitation, the Illinois Municipal
15 Retirement Fund, by commissions created under this Division
16 which have been included under the retirement fund or other
17 pension alternative shall be considered a cost of operation
18 and maintenance for the purposes of this Section.

19 (e) Enforcement of obligations. A holder of a bond or of
20 any of its coupons issued under this Division, in a civil
21 action, mandamus, or other proceeding, may enforce and compel
22 performance of all duties required by this Division to be
23 performed by such a commission or by any of the
24 municipalities, including the making of rates and charges, the
25 collecting of sufficient revenue, and the application thereof,
26 as provided in this Division.

1 (f) Construction contracts. All or any portion of a
2 waterworks system or other public improvement of such a
3 commission, when the expense thereof will exceed the greater
4 of (i) \$25,000 or (ii) the amount of expense above which a work
5 or public improvement by a municipality must be let to the
6 lowest responsible bidder after advertising for bids under
7 Section 8-9-1 of this Code, shall be constructed, maintained,
8 or repaired either: (1) by a contract let to the lowest
9 responsible bidder after advertising for bids, in the manner
10 prescribed by the commission's bylaws, rules, and regulations
11 and by the vote required as established in the
12 intergovernmental agreement pursuant to Section 11-135.5-25;
13 or (2) without advertising for bids, if authorized by a vote of
14 greater than a majority of all the commissioners as
15 established in the intergovernmental agreement pursuant to
16 Section 11-135.5-25. The commission's bylaws, rules, and
17 regulations shall provide for an alternative procedure for
18 emergency procurement if an emergency makes it impracticable
19 to follow the procedures in this subsection.

20 (g) Project labor agreement. In connection with a contract
21 by a commission for the construction of all or any portion of a
22 waterworks system or other public improvement of the
23 commission, the commission must enter into a project labor
24 agreement with the applicable local building trades council
25 prior to the commencement of any and all construction,
26 building, renovation, demolition, or any material change to

1 the structure or land.

2 (65 ILCS 5/11-135.5-40 new)

3 Sec. 11-135.5-40. Property.

4 (a) Generally. A commission may (i) acquire, hold, sell,
5 lease as lessor or lessee, transfer, or dispose of real or
6 personal property, or interest therein, and (ii) acquire by
7 gift, legacy, or grant any real estate or personal property,
8 or rights therein, in all such instances as it deems
9 appropriate in the exercise of its powers for its lawful
10 purposes, whether the land or personal property is located
11 within or outside the boundaries of the members of the
12 commission. The commission also may accept any grant, subsidy,
13 or contribution from the United States, the State of Illinois,
14 a unit of local government, or any other governmental entity,
15 or any combination thereof.

16 (b) Private property. Whenever a commission passes an
17 ordinance for the construction or acquisition of any
18 waterworks properties, or improvements or extension or mains,
19 pumping stations, reservoirs, or other appurtenances thereto,
20 which such commission is authorized to make, the making of
21 which will require that private property be taken or damaged,
22 such commission may cause compensation therefor to be
23 ascertained and may condemn and acquire possession thereof in
24 the same manner as nearly as may be, as provided for the
25 exercise of the right of eminent domain under the Eminent

1 Domain Act. However, proceedings to ascertain the compensation
2 to be paid for taking or damaging private property shall be
3 instituted in the circuit court of the county where the
4 property sought to be taken or damaged is situated.

5 (c) Public property. When a commission created under this
6 Division requires that public property be taken or damaged for
7 the purposes specified in this Section, the commission may
8 condemn and acquire possession of public property and cause
9 compensation for such public property to be ascertained in the
10 same manner provided for the exercise of the right of eminent
11 domain under the Eminent Domain Act while the commission has
12 the power to initiate action in the manner provided by Article
13 20 of the Eminent Domain Act.

14 (d) Highways and public ground. A commission may
15 construct, maintain, alter, and extend its water mains as a
16 proper use of highways along, upon, under, and across any
17 highway, street, alley, or public ground in the State,
18 including highways within a municipality, but so as not to
19 inconvenience the public use thereof, and the commission may
20 construct, maintain, and operate any conduit or conduits,
21 water pipe or pipes, wholly or partially buried or otherwise
22 in, upon, and along any of the lands owned by the State and
23 under any of the public waters therein. However, the right,
24 permission, and authority hereby created shall be subject to
25 all public rights of commerce and navigation and the authority
26 of the United States in behalf of such public rights and also

1 the laws of the State to regulate and control the same. Notice
2 shall be given to the highway authorities of a municipality,
3 county, township, road district, or township district in which
4 such highway, street, or public way may be situated at least 60
5 days before any construction or installation work in such
6 highway or street shall commence. All laws and ordinances
7 pertaining to such work for the protection of the public and of
8 public property shall be complied with, except that no fee may
9 be charged such commission for the construction or
10 installation of such facilities in such public places.

11 (e) Surplus property. When, in the opinion of a
12 commission, real estate owned by it, however acquired, is no
13 longer necessary, appropriate, required for the use of,
14 profitable to, or for best interest of the commission, such
15 commission may, by resolution, lease such surplus real estate
16 for a period not to exceed 99 years or sell such surplus real
17 estate, in accordance with procedures established in the
18 intergovernmental agreement or bylaws or adopted by resolution
19 by such commission.

20 (f) Tax exemption. All property, income, and receipts of
21 or transactions by a commission shall be exempt from all
22 taxation, the same as if it were the property, income, or
23 receipts of or transaction by the member municipalities.

24 (g) Agricultural impact mitigation agreement. For any
25 private property that is used for agricultural purposes, as
26 defined in Section 1-60 of the Property Tax Code, that is

1 damaged or taken by a commission created under this Division,
2 the commission shall enter into an agricultural impact
3 mitigation agreement with the Illinois Department of
4 Agriculture to ensure any negative impacts to private property
5 are properly mitigated.

6 (65 ILCS 5/11-135.5-45 new)

7 Sec. 11-135.5-45. Laws not applicable. The provisions of
8 this Division: (i) are not subject to Division 135 or Division
9 136 of Article 11 of this Code or the Water Commission Act of
10 1985; and (ii) do not apply to any commission formed or
11 operating under Division 135 or Division 136 of Article 11 of
12 this Code or the Water Commission Act of 1985.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.