

**CHANNAHON VILLAGE BOARD
COMMITTEE OF THE WHOLE MEETING
FEBRUARY 20, 2023**

VP Moorman Schumacher called the meeting to order at 6:00 p.m. with Trustees Host, McMillin, Perinar, Scaggs and Slocum present.

Also present were Village Administrator Thomas Durkin, Director of Community Development and Information Systems Mike Petrick, Finance Director Heather Wagonblott, Director of Public Works Ed Dolezal, Chief of Police Shane Casey, Village Attorney David Silverman and Village Clerk Kristin Hall.

VP Moorman Schumacher informed everyone present that anyone who speaks at the meeting shall be deemed to have given his/her consent to the recording of their likeness and speech. This meeting is being recorded.

ADMINISTRATION DEPARTMENT

Discussion – An Ordinance Authorizing the Execution of an Annexation Agreement between the Village of Channahon, a Municipal Corporation of Will and Grundy Counties, Illinois and Equity Trust Company Custodian, F/B/O Paul Swanson IRA – 1st Read

VP Moorman Schumacher stated we will hold off on until the Public Hearing scheduled for the Board meeting to follow this meeting.

Discussion – A Resolution Approving a First Amendment to the Preliminary Agreement Regarding the Formation of a Regional Water Commission

Durkin stated on February 7, 2022, the Village Board approved a preliminary agreement regarding the formation of a regional water commission for the provisioning of Lake Michigan water to the residents and businesses in the Village as the primary potable water source. This first amendment to that agreement provides for the following:

- Extends the deadline for each of the communities who have committed to forming the regional water commission to adopt the necessary ordinance and enter into the final IGA from April 30, 2023 to no later than June 30, 2024. This is due to the fact that proceedings before the Illinois Department of Natural Resources for each of the allocation applications have required, and are expected to continue to require, substantially longer periods of time than was originally anticipated by the parties, based on the duration of previous allocation permit proceedings before the Illinois Department of Natural Resources and are not anticipated to be completed prior to April 30, 2023. Receipt of the allocation is a prerequisite for approving the IGA and ordinance;
- Provides an additional payment in the amount of \$110,000 to continue to fund the ongoing water commission formation administrative costs;
- Provides that all members will continue to provide updated financial plans and supporting documentation as necessary to support the funding strategy and funding sources for the water commission and program;

- Provides that the commission will have access to awarding contracts through an alternate delivery method (design build or construction manager at risk) that is authorized by the recently passed amendment to the Regional Water Commission Act;
- Provides that if a member revises its primary delivery point as identified in the basis of design and it (1) results in increased capital costs to the member and (2) reduces the capital costs to the commission and (3) will not increase capital costs of another member, then the commission board may consider approving a credit to the proposing member by not less than a majority vote, unless a unanimous approval is required.

Durkin stated that staff is looking for approval of the resolution at the regularly scheduled board meeting. VP Moorman Schumacher asked Chris Ulm from Strand Associates, if he was doing a presentation on the IDNR resolution later on the agenda.

Dolezal stated that he along with Chris Ulm and Village Attorney Silverman would be going through it during the Public Works portion of the agenda.

Discussion – A Resolution Authorizing the Participation in the Northern Illinois Municipal Electric Collaborative (NIMEC) and Authorizing the Village Administrator to Approve a Contract with the Lowest Cost Electricity Provider for a Period up to 36 Months

Durkin stated the Village of Channahon has been a member of the Northern Illinois Municipal Electric Cooperative (NIMEC) for a number of years. The purpose of our involvement is for the purchase of electricity for eligible accounts through a cooperative pool with other Illinois municipalities in order to receive a more competitive bid price and allow us to leverage the combined usage with suppliers to negotiate pricing lower than what we could otherwise do individually. Because of the way the bidding process works, the Village President will need to have the authority to sign a contract with an electricity provider which is deemed most favorable for the Village within hours of the bids being received by NIMEC. In light of those time constraints applicable to the acceptance of a competitive bid for a supply of electricity, once the bids are received by NIMEC, it is requested that the Village Administrator be authorized to sign a contract with the lowest bidder and that contract be placed on the next available Village Board meeting agenda following the execution thereof for ratification by the Village Board. Current pricing for the eligible accounts is set to expire May 16, 2023. The bid for the upcoming contract is scheduled for March 2, 2023.

Discussion – Hiring Public Work’s Clerk

VP Moorman Schumacher stated this hiring was all agreed to at the last meeting. If no one finds it necessary to go into Executive Session for further discussion on this item, Executive Session would be held at the end of the Board meeting for Purchase or Lease of Real Estate.

Durkin stated that HR Manager Denton has some information to hand out to the Board and will discuss the specifics of the offer.

HR Manager Denton stated this is in regards to the hiring of the Public Works Clerk. As the board may recall, we did bring this person to the Board in a previous meeting and we discussed this offer with the potential new employee. The offer is based on the candidate’s current Public Works experience with City of Crest Hill. Staff recommends bringing the candidate in at Step 1

rather than the starting step. The candidate went for her physical and drug screen today so, the offer would be proposed to be contingent on those results.

Discussion – Filling of Building Inspector Position

Discussion – Authority to Advertise for the Position of Code Enforcement Officer

VP Moorman Schumacher stated that these items will be tabled to a later date.

COMMUNITY DEVELOPMENT & INFORMATION SYSTEMS

Discussion – Channahon Park District – Tomahawk Aquatic Center Permit Fee Waiver Request

Petrick stated the Village of Channahon has received a request for the waiver of permit fees for a renovation project being conducted by the Channahon Park District at the Tomahawk Aquatic Center. He stated these renovations are to include the reconfiguration of some of the pool deck area, new pool liners, an additional water slide, renovations to the bath house, mechanical upgrades, and conversion from the sand play area to a spray pad. He also stated the anticipated project cost is \$2,500,000. He further stated per the Village's fee structure of \$0.80 per \$1,000 of improvement, \$20,000 would be due to the Village for the permit. He stated it has been the Village's practice in the past to waive permit fees for other governmental entities.

VP Moorman Schumacher stated that it is her understanding that this does not include any tap on fees or pass through engineering fees.

Petrick stated the request does not include those items.

Discussion – Community Development 2022 Final Report

Petrick stated that we have a long agenda tonight, so he will be brief. He will talk about a couple of graphs and pictures and they are in the packets for further review. In summary, total permits and new construction last year was just shy of \$59 million dollars of improvement, which translates to just under \$20 million dollars of new EAV brought to the Village. This is not just new construction but also people doing improvements to their homes or businesses. New housing, as you may expect, was down last year with a lot of that due to higher interest rates. Everyone expected that when interest rates went up, the amount of home buyers would go down. That has recovered and in October we were back to double digit monthly permits issued for new construction. We did finish at 63 new homes last year, where we had been triple digits for each of the five years before that. Along with reductions in the construction of new homes there were fewer inspections, yet total inspections still over 3,000 inspections last year. Code enforcement violations/inspections were up 13% overall.

One of the more interesting graphs is home sales and prices. Everyone knows that home sales were on the rise and the median price for new and existing homes combined was \$330,000, based on 288 home sales in the last year. People are moving here primarily from the Southwest suburbs of Chicago but the #1 buyer of homes are people that already live in Channahon. Most interesting is that 8% of home buyers came from out of state, which is higher than it has been in previous years. Our highest build subdivisions are the ones who had the most lots remaining - Town Center, Creekside Estates, Villas of Keating Pointe and Wedgewood Highlands. We expect it to be similar this coming year because those are the subdivisions with remaining lots. Staff estimates the population to be approximately 14,200 at the end of 2022. Channahon is projected to be over 15,000 population somewhere around 2025.

Durkin stated that those numbers are consistent with the estimates contained in our recently completed Facility Planning Study.

Petrick stated that another way to estimate the population is reviewing homeowner and renter data. Staff collected information from the Village's water and garbage bills. If the utility bill is listed in someone else's name other than the owner, we estimate this is a rental situation. If the utility bill is being paid by the owner, we don't know if it is a rental property so the total number may be under reported. The information shows that 12.2% of all housing units renter occupied. This number has been increasing every year, with 2022 increasing by .45%, and we haven't built any apartments, condos or other rental units since the St. Elizabeth residences in the last five years at least. This number is increasing due to more single-family homes converting to rental properties.

Trustee Slocum asked if our rental ordinances are in good shape since the number of rentals is increasing.

Petrick stated there are some modifications that we are looking to bring forward for their consideration. Staff is working on drafts for rental registry and inspections. We want to make sure our rental homes are safe and contribute to the economy. Staff will have more on that coming in the next few months.

Petrick also stated that we had two subdivisions put more lots on the market and they were all purchased. Our lot inventory continues to dwindle. Staff approximates there are 110 single family homes left available in Channahon in the Copperleaf, Town Center and Wedgewood Highlands subdivisions. The detached single-family housing sector has seen the most construction. That has been an attractive market for people that our downsizing or right sizing their homes. Further, it is also a sector of the market that has been less impacted by interest rates as many of those buyers are selling their house and taking the equity to buy a new one, so a lot less is being financed and rising interest rates don't hurt them as much. We have a few lots available in Copper Leaf but those homes are stretching \$750,000 and that is not the sweet spot of the market. The Town Center subdivision has done very well and all of our other near median subdivisions are at or near completion. We have a couple things on the horizon like Ravine Woods Unit 3, but those lots will take time to become buildable and the remaining similar type lots will probably quickly fill. One thing that hasn't reduced is townhome lots. We've had the same number of townhome lots in Channahon for several years now. There hasn't been a townhome built since right after the Great Recession. That was supposed to be changing late in 2022 but construction did not start since the price of concrete went up and the developer decided to wait until spring. The Village is hoping that this year some of the townhome lots re-enter the market. Regarding projections for the coming year, development should be continuing on the steady and up. Staff does not believe we will see the economic trends that are in all the headlines, having an impact here in Channahon. Rising interest rates do affect the affordability but it's not the be all end all. He also stated that this information will be online soon.

VP Moorman Schumacher stated that she thought the statistic about the people moving from out of state was incredibly interesting given that people are fleeing from Illinois, yet people are coming here and to Channahon.

Trustee Scaggs stated that he talked to a client the other day who has been in Florida for the last 25 years and they are coming back. He asked them why and they said they have family here and were tired of yearlong summer.

VP Moorman Schumacher stated that she was talking to a resident out by Keating Point and they actually have two homes; one here and one in Florida and they spend six months at each.

FINANCE DEPARTMENT

Presentation – Monthly Investment Performance Report by Sawyer Falduto

Wagonblott stated last June the Board approved some movement of some funds to the Charles Schwab account, which is managed by Sawyer Falduto. She stated that this is our first update from the investment firm.

Tom Sawyer, from Sawyer Falduto, gave a presentation on the performance of the portfolio to date.

POLICE DEPARTMENT

Discussion – To Request Village Board’s Authorization to place to Purchase one 2023 Hyundai Santa Fe to replace an Existing Investigation Squad

Casey stated this vehicle request is to replace the 2018 Santa Fe that was totaled by our insurance carrier following a crash in October of 2022. The requested vehicle is currently at D’Arcy Motors in Joliet, and will be held for us through this week. The pricing quoted for the requested squad car is \$34,667.76. This vehicle would serve multiple roles in the investigation’s unit and is below the cost of other traditional type police vehicles currently under various group bid contracts. Our insurance carrier has paid to the Village a total of \$24,774.91 for the claim. He further stated with equipment and up-fitting, the difference to replace the vehicle will be \$14,414.76.

PUBLIC WORKS DEPARTMENT

Discussion – A Resolution Regarding the Lake Michigan Water Allocation Application (Regulatory and Cost Issues)

Dolezal stated what you have before you is a Resolution that is going to go along with our second submittal for Lake Michigan Water Allocation. For our first submittal, we had a preliminary hearing with IDNR and a number of comments were provided that we are starting to address. Some of the comments specifically centered around us confirming to IDNR that we thoroughly informed our Board and indicated there were going to be costs associated with Lake Michigan that our Village wasn’t used to incurring with our own wells. He further stated that there is also going to be some higher oversight with IDNR than the IEPA, but the IEPA will still be involved. Staff feels we did pretty good with all the meetings we had prior, and we will sum it up again and this Resolution says exactly that. Tonight, he, Chris Ulm from Strand Associates, our consultant and Attorney Silverman will present this information to the board and public.

Chris Ulm, of Strand Associates, stated in 2015, the Village learned that the deep aquifer wells are not going to make it as long as everyone hoped, even if City of Joliet gets secures an alternative water source. In response to Joliet inquiring if the Village would entertain utilizing regional water supply solution or not, they needed to know relatively quickly. In 2020, the Village retained Strand Associates to conduct a study of alternative water supply sources to the deep aquifer. Up to now, the Village has studied seven different alternatives. One is the shallow ground water aquifer with advanced water treatment plant for emerging contaminants, which

consists of the treatment of the water in pit run and the shallower supply in the area. We learned that the capacity is not there, there are water quality concerns with emerging contaminants and it is not the most economically feasible option. The Village studied two Illinois River options; one with a Village owned intake and water treatment plant on the Illinois River at the Marseilles Pool and the other through a partnership with Village of Minooka for the same. There are water quality concerns, a complex water treatment process that would be difficult to maintain and it was not the most economically feasible option. The Village studied two Kankakee River options; one via a group that was forming near the river to use the Kankakee River water to serve others. That group fell apart and was no longer able to supply data that the Village needed for the study and the other was a combined effort with the Village of Minooka to extend intakes down to the Kankakee River. There are water quantity concerns, it took a tremendous amount of your infrastructure out of your corporate limits to own, operate and maintain the system and it was not the most economically feasible option. The Village also studied two Lake Michigan options; one was as a customer of the City of Joliet when they switched. Joliet was not interested in that as they wanted the Village to be a partner, not a customer. The other was Lake Michigan water as a source by joining as a member of the new Regional Water Commission, now known as the Grand Prairie Water Commission, with the City of Joliet. This was the most economically favorable option.

Dolezal stated that we've agreed to some additional things in our next application that were a result of our review of the preliminary hearing with the IDNR. We will be doing leak detection every year across our entire water system. We've previously done it when we thought we needed to, now we are saying that we will test the whole system every year and that will cost about \$19,000 per year. We are also going to look at some of the master meter calibrations. The master meter is where we receive water from City of Joliet. We are going to start doing that now as part of an on-going water audit and that will cost about \$7,000 per year. We are going to look at our major customers that have big meters and have those calibrated every three years at a cost of about \$2,500. We will be undertaking a program for testing our residential meters for accuracy and we will do a replacement program so that we can bill for the water that we are buying. That will cost about \$25,000 per year. He also stated that a lot of that information will go into an annual water audit that would get submitted every year. Many of these items are good practices and are associated with this Lake Michigan Water Allocation Application but they are just good practices for a water utility. He stated that the water audit will cost about \$5,000 per year.

Attorney Silverman stated that we wanted to make sure that the Village was aware that the Lake Michigan Water Allocation and the use of Lake Michigan water by the Village are subject to the Illinois Administrative Codes and the rules that are in place that govern this allocation and the use of the water, among other things. From time to time, the Department of Natural Resources can request changes to these codes so restrictions may become more stringent. Part C of the 37.303 of the Illinois Administrative Code provides for the conservation measures which must be adopted and enforced by the Village. The ordinances the Village has passed will likely fulfill all of the conservation requirements of the IDNR Administrative Code. They also to emphasize that there will be conditions on this permit, if it gets issued. One of the major conditions is that the Village must reduce its non-revenue water to 10% or less by 2030. There are several methods to do that and we will do that through the conservation ordinances that we have adopted, through leak detection and a variety of other components of the system. If we fail to comply with any of the permit requirements, the Village can be fined by the IDNR, after a right to be heard hearing. The fines can range from \$1,000-\$10,000 but we certainly don't anticipate that it would come to

that. The Village has determined that Lake Michigan water is the best possible method for the Village to move forward in dealing with this water shortage crisis and we are authorized to amend the application and take the steps necessary to secure a Lake Michigan Water Allocation Permit from IDNR.

VP Moorman Schumacher stated that reducing non-revenue water to 10% or less has always been part of the plan since the beginning. She questioned the discussion at IDNR about replacing a certain amount of pipe per year.

Dolezal stated that the 10% is part of the regulations. The IDNR did bring up replacing pipe and we all along have tried to present an argument that it isn't the right thing for us. If replacement is necessary, we will correct it. We have not agreed to the replacement of pipe if is not necessary or warranted. We will see what comes back from this application.

Discussion – Acceptance of Storm Water Management Easement – Lot 30 Channahon Industrial Park, Unit 2

Dolezal stated as part of the development of Lot 30 in Channahon Industrial Park Unit 2 the Village of Channahon requires a storm water easement and is hereby required and granted.

Discussion – Acceptance of Municipal Detention and Drainage Easement

Dolezal stated as part of the expansion of Utility Concrete Products, LLC, the existing Municipal Detention and Drainage Easement has been expanded as required by the Village of Channahon meeting current drainage requirements.

COMMUNICATIONS

PUBLIC COMMENT

Karen Smith, resident of Channahon, stated her comment is in regard to Dolezal's statements about the water meters. There was an issue at her business on Northern Illinois Drive. They usually use from 9,000-12,000 gallons of water per month, but they got a bill in November 2022 that indicated over 50,000 gallons of water allegedly went through the complex. They had zero leaks, so the water had to go into their septic system. They are not on city sewer and they have a septic tank that holds 1,000 gallons of water. The amount of water that allegedly went through the property is roughly 1,300 gallons of water per day. There is no way you she believes that it through and stayed in our septic system. The water would have come out through the soil, through the ground or into the street and would not have held inside the septic tank. The water did not come back into the building and she believes that the water meter malfunctioned that month as that total is 40,000 gallons above the normal water billing. She has been working with Durkin on this but she believes that the Village should replace the water meter at no charge.

Dolezal stated that we do not have any indication that the meter is bad. We do have an ordinance in place that when a resident or business owner thinks the meter is not working properly, we will come out and replace the water meter at no cost. The water meter that is taken out is sent for testing at the owner's expense but if it comes back as malfunctioning, then they are refunded the total cost.

EXECUTIVE SESSION

The Committee of the Whole was adjourned at 6:56 p.m.
Submitted by Kristin Hall, Village Clerk

