



Rep. Lawrence Walsh, Jr.

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10200SB0280ham002

LRB102 12409 AWJ 30184 a

1 AMENDMENT TO SENATE BILL 280

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 280 by replacing  
3 everything after the enacting clause with the following:

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

1 assure a sufficient and economic supply of a source of  
2 water of suitable quality within those areas of this State  
3 that are dependent on ground water supply from portions of  
4 the Cambrian-Ordovician aquifer as well as shallow  
5 aquifers, and where those aquifers are expected not to be  
6 able to provide a sufficient supply of water or water of  
7 suitable quality to one or more municipalities which may  
8 be located in more than a single county, and where,  
9 because of economic development and population growth and  
10 proximity to large urban centers, the health, safety, and  
11 welfare of the residents is threatened by the continuing  
12 reduction in the amount of ground water and quality of  
13 ground water that can be obtained from the aquifers.

14 (2) Because of a need to provide such municipalities a  
15 continuing, available, and adequate source and supply of  
16 water on an economically viable basis, it is necessary and  
17 desirable to establish a different structure for  
18 municipalities in the affected region to jointly establish  
19 a source of water supply and the necessary waterworks and  
20 other supporting facilities as needed to provide a  
21 reliable, sustainable, and high-quality source of water on  
22 a cost-effective basis.

23 (3) It is not the intent of the General Assembly to  
24 interfere with the structure and operation of other water  
25 commissions and county water commissions already existing  
26 around the State on the effective date of this amendatory

1       Act of the 102nd General Assembly or to interfere with the  
2       power of municipalities to provide for the retail  
3       distribution of water to its residents or the customers of  
4       its water systems.

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

7       (65 ILCS 5/11-135.5-10 new)

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

14      (65 ILCS 5/11-135.5-15 new)

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

17      (a) Establishment of commission. Two or more  
18      municipalities, at least one of which is located in whole or in  
19      part in the county of Cook, DuPage, Kane, Kendall, Lake,  
20      McHenry, or Will and has 140,000 or more inhabitants at the  
21      time of establishment of a regional water commission,  
22      excluding cities of 500,000 or more inhabitants, may acquire,  
23      either by purchase or construction, a waterworks system or a  
24      common source of supply of water, or both, and may operate

1 jointly a waterworks system or a common source of supply of  
2 water, or both, and improve and extend the same, as provided in  
3 this Division. The municipality meeting the requirement to  
4 have 140,000 or more inhabitants as required by this paragraph  
5 must have attained that population as of the effective date of  
6 this amendatory Act of the 102nd General Assembly.

7 The corporate authorities of the municipalities desiring  
8 to avail themselves of the provisions of this Division shall  
9 establish a regional water commission by adopting an ordinance  
10 determining and electing to acquire and operate jointly a  
11 waterworks system or a common source of supply of water, or  
12 both, as the case may be, and approving an intergovernmental  
13 agreement among the municipalities establishing the regional  
14 water commission. This agreement may be amended at any time  
15 upon the adoption of concurring ordinances by the corporate  
16 authorities of all member municipalities.

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

1       (c) Filing of agreement. Promptly upon entering into the  
2 agreement or any amendment to it, a copy of such agreement or  
3 amendment shall be filed in the office of the Secretary of  
4 State. Promptly upon the addition or withdrawal of a  
5 municipality, or, upon the dissolution of the commission, that  
6 fact shall be certified by an officer of the commission to the  
7 Secretary of State.

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

20       Whenever the corporate authorities of a municipality  
21 determine that the municipality will pay, advance, or be  
22 obligated for its proportionate share of development costs as  
23 provided in this subsection, they shall adopt an ordinance  
24 declaring their intention that the municipality will do so,  
25 fix the maximum amount of the municipality's share of the cost  
26 the municipality proposes to pay or that the municipality will

1 advance or to obligate the municipality for, the period over  
2 which it is proposed to pay the obligation (not exceeding 10  
3 years), and the maximum amount to be paid annually, if such  
4 obligation is to be paid in installments. The time of payment  
5 of any such installment obligation may be extended for a  
6 period not exceeding 10 years from the final maturity date of  
7 the original obligation. On and after the date such ordinance  
8 becomes effective, the municipality shall include an amount  
9 sufficient to pay the annual installments of its obligation  
10 each year in the next succeeding appropriation ordinances. The  
11 commission may require that if any such municipality whose  
12 corporate authorities determined to pay, to advance, or to  
13 obligate the municipality to the commission for development  
14 costs defaults in such payments, advances, or obligations,  
15 then the remaining municipalities whose corporate authorities  
16 have determined to pay, to advance, or to obligate the  
17 respective municipalities to the commission for development  
18 costs will be required to pay for all or a portion of the  
19 payments, advances by, or obligations of the defaulting  
20 municipality. No prior appropriation shall be required for the  
21 corporate authorities of a municipality to authorize the  
22 payments, advances, or obligations herein provided for.

23 Whenever the corporate authorities of a municipality have  
24 obligated the municipality for development costs as herein  
25 provided and after the effective date of the ordinance under  
26 which the municipality became obligated for a specific amount

1 for development costs of a project and after approval of such  
2 obligation by the commission, the commission is authorized to  
3 borrow funds temporarily for payment of such development costs  
4 in advance of permanent financing. The commission may from  
5 time to time and pursuant to an appropriate ordinance or  
6 resolution borrow money and issue its interim notes to  
7 evidence borrowings for such purpose, including all necessary  
8 and incidental expenses in connection therewith.

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

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

1 including grants and loans.

2 Whenever a member municipality has incurred development  
3 costs for a project and has advanced funds or otherwise  
4 obligated itself for the payment of such costs, the commission  
5 is authorized to accept assignment of such debt instruments  
6 and the payment obligations thereunder and to thereafter make  
7 all necessary payments to meet such obligations out of  
8 receipts from other sources available to the commission,  
9 including grants and loans.

10 As used in this subsection, "development costs" means the  
11 costs of development of a project, including debt incurred and  
12 principal and interest payments, whether incurred by the  
13 commission or a member municipality.

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

23 Whenever the corporate authorities of a municipality  
24 determine that the municipality will pay, advance, or be  
25 obligated for its proportionate share of construction or  
26 operating costs as above provided, they shall adopt an



1 ordinance declaring their intention to do so, fix the maximum  
2 amount of the municipality's share of the cost it proposes to  
3 pay, to advance, or to obligate itself for, fix the period over  
4 which it is proposed to pay the obligation, and state the  
5 maximum amount to be paid annually, if such obligation is to be  
6 paid in installments. On and after the date such ordinance  
7 becomes effective, the municipality shall include an amount  
8 sufficient to pay the annual installments of its obligation  
9 each year in the next succeeding appropriation ordinances. The  
10 commission may require that if any such municipality whose  
11 corporate authorities determined that the municipality will  
12 pay, advance, or be obligated to the commission for  
13 construction or operating costs defaults in such payments,  
14 advances, or obligations, then the remaining municipalities  
15 whose corporate authorities have determined that the  
16 municipality will pay, advance, or be obligated to the  
17 commission for construction or operating costs will be  
18 required to pay for all or a portion of the payments, advances  
19 by, or obligations of the defaulting municipality. No prior  
20 appropriation shall be required for the corporate authorities  
21 of a municipality to authorize the payments, advances, or  
22 obligations herein provided for.

23 Whenever a municipality, through its corporate  
24 authorities, has paid, advanced, or obligated the municipality  
25 for development, construction, or operating costs as herein  
26 provided, the commission may contract with the municipality,

1 on such terms as may be agreed, for the repayment to the  
2 municipality by the commission of any payment or advance made  
3 by the municipality to the commission and to charge, in  
4 addition to all other charges and rates authorized under this  
5 Division, such rates and charges for water sold by the  
6 commission as shall be necessary to provide for such  
7 repayment. In addition, any payment or advance of such costs  
8 made by a municipality pursuant to this Section may be repaid  
9 by the commission to the municipality from the proceeds of  
10 revenue bonds authorized to be issued by the commission  
11 pursuant to this Division or, in the alternative, the  
12 commission may determine to pay all or part of such amounts out  
13 of receipts from other sources available to the commission,  
14 including grants and loans.

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

26 As used in this subsection, "construction and operating

1 costs" means the costs of construction and operation of a  
2 project, including debt incurred and principal and interest  
3 payments, whether incurred by the commission or a member  
4 municipality.

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

18 (65 ILCS 5/11-135.5-20 new)

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

20 (a) Appointment of commissioners. Upon the adoption of an  
21 ordinance and intergovernmental agreement by the corporate  
22 authorities of a municipality under this Division, the mayor  
23 or president, with the approval of the corporate authorities,  
24 shall appoint a commissioner.

25 (b) Commission. The commissioners so appointed by each of

1 the municipalities shall constitute a commission and a  
2 municipal corporation and a public body politic and corporate  
3 with the powers and duties specified in this Division. The  
4 corporate name of the commission and its duration shall be  
5 provided in the agreement, and in such name the commission may  
6 contract and be contracted with and sue and be sued. The  
7 commissioners shall be collectively referred to as a board of  
8 commissioners.

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

21 (d) Removal; prohibited interests. Each commissioner may  
22 be removed by the corporate authorities of the municipality  
23 from which the commissioner was appointed for any cause for  
24 which any municipal officer may be removed. No commissioner or  
25 employee of the commission and no mayor, president, member of  
26 the corporate authorities, or employee of any of the

1 municipalities shall be interested, directly or indirectly, in  
2 any contract or job of work or materials, or the profits  
3 thereof, or services to be performed for or by the commission.

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

7 (65 ILCS 5/11-135.5-25 new)

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

9 (a) Organization of board. A commission shall organize by  
10 electing a chair from among its own members and shall elect  
11 persons, who need not be commissioners, to such other offices  
12 as shall be designated in the agreement. It shall adopt its own  
13 bylaws, rules, and regulations and provide for its meetings.  
14 The commission has full and complete supervision, management,  
15 and control of the waterworks system or the common source of  
16 supply of water, or both, as provided in the agreement and  
17 ordinances for acquiring and operating the same, and in their  
18 maintenance, operation, and extension. The board of  
19 commissioners shall determine the general policy of the  
20 commission, shall approve the annual budget, shall make all  
21 appropriations (which may include appropriations made at any  
22 time in addition to those made in any annual appropriation  
23 document), shall approve all contracts for the purchase or  
24 sale of water, shall adopt ordinances or resolutions providing  
25 for the issuance of bonds or notes by the commission, shall

1 adopt its bylaws, rules, and regulations, and shall have such  
2 other powers and duties as may be prescribed in the agreement.  
3 Such agreement may further specify the voting and approval  
4 requirements for actions regarding the commission's powers and  
5 duties, including those powers and actions of the commission  
6 which shall be authorized only upon votes of greater than a  
7 majority of all commissioners or only upon consents of the  
8 corporate authorities of a certain number of member  
9 municipalities, or both.

10 The agreement may provide for the establishment of a  
11 technical advisory committee to consist of a municipal  
12 employee member from each member municipality as designated by  
13 ordinance or other official action, from time to time by the  
14 corporate authorities of the member municipality, and having  
15 the qualifications as prescribed in the agreement, and also  
16 may provide for such functions and duties of the committee as  
17 will support the efficient administration and operation of the  
18 commission.

19 The board of commissioners may establish other committees  
20 from time to time, consisting of either members of the board or  
21 members who are municipal employees from each member  
22 municipality, in order to support the efficient administration  
23 and operation of the commission.

24 (b) Water contracts to acquire water supply. A commission  
25 may contract to acquire a supply of water on such terms and  
26 conditions as it finds in the best interests of the commission

1 for a period not exceeding 101 years. A commission may  
2 contract with any person, corporation, political subdivision,  
3 municipal corporation, or other governmental or  
4 non-governmental entity for a supply of water, and any such  
5 political subdivision, municipal corporation, or other  
6 governmental entity is authorized to enter into such a  
7 contract with the commission. A commission may accept from a  
8 municipality that is a member of the commission the assignment  
9 of a contract to acquire a supply of water and to accept and  
10 perform the duties and obligations and make all payments  
11 required pursuant to such assigned contract.

12 A contract made by or assigned to a commission for a supply  
13 of water may contain provisions whereby the commission is  
14 obligated to pay for such supply of water without setoff or  
15 counterclaim and irrespective of whether such supply of water  
16 is ever furnished, made available, or delivered to the  
17 commission or whether any project for the supply of water  
18 contemplated by the contract is completed, operable, or  
19 operating and notwithstanding any suspension, interruption,  
20 interference, reduction, or curtailment of the supply of water  
21 from such project.

22 No prior appropriation shall be required before entering  
23 into or accepting assignment of such contract, and no  
24 appropriation shall be required to authorize payments to be  
25 made under the terms of the contract, notwithstanding any  
26 provision of this Code to the contrary. The contract shall not

1 be a debt within the meaning of any statutory or  
2 constitutional limitations.

3 (c) Water contracts to provide water supply to members.  
4 The commission is authorized to contract with the  
5 municipalities which established the commission, and with  
6 other municipalities that have become members pursuant to the  
7 process established in the intergovernmental agreement, for a  
8 supply of water to those municipalities, for a period not  
9 exceeding 101 years, and those municipalities are authorized  
10 to enter into such contracts with the commission.

11 Any such contract made by a commission and any such  
12 municipalities to supply water may contain provisions whereby  
13 the purchasing municipality is obligated to pay for such  
14 supply of water without setoff or counterclaim and  
15 irrespective of whether such supply of water is ever  
16 furnished, made available, or delivered to the purchasing  
17 municipality or whether any project for the supply of water  
18 contemplated by any such contract is completed, operable, or  
19 operating and notwithstanding any suspension, interruption,  
20 interference, reduction, or curtailment of the supply of water  
21 from such project. Any such contract may provide that if one or  
22 more of the other purchasers' defaults in the payment of its  
23 obligations under the contract or similar contract made with  
24 the supplier of the water, the remaining purchasers party to  
25 such contract or such similar contract shall be required to  
26 pay for all or a portion of the obligations of the defaulting



1 purchaser. Each municipality that enters into such a contract  
2 shall be obligated and have the duty to include an amount  
3 sufficient to pay the annual amount of its obligation each  
4 year in the next succeeding appropriation ordinances. No prior  
5 appropriation shall be required for a municipality to  
6 authorize the payments, advances, or obligations provided for  
7 in such contracts or this subsection.

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

24 Any such contract entered into to supply water to a  
25 municipal corporation or political subdivision shall provide  
26 that the payments to be made thereunder shall be from the

1 revenues to be derived by such municipality or political  
2 subdivision from the operation of the waterworks system or  
3 combined waterworks and sewer system of such municipality or  
4 political subdivision or from receipts from other sources  
5 available to the municipality or political subdivision,  
6 including grants and loans. Any such contract made by a  
7 commission and a purchaser that is such a municipal  
8 corporation or political subdivision to supply water may  
9 contain provisions whereby the purchaser is obligated to pay  
10 for such supply of water without setoff or counterclaim and  
11 irrespective of whether such supply of water is ever  
12 furnished, made available, or delivered to the purchaser or  
13 whether any project for the supply of water contemplated by  
14 any such contract is completed, operable, or operating and  
15 notwithstanding any suspension, interruption, interference,  
16 reduction, or curtailment of the supply of water from such  
17 project. The contract may provide that, if one or more of the  
18 other purchasers defaults in the payment of its obligations  
19 under such contract or similar contract made with the supplier  
20 of the water, the remaining purchasers party to such contract  
21 or such similar contract shall be required to pay for all or a  
22 portion of the obligations of the defaulting purchaser. Each  
23 municipal corporation or political subdivision that enters  
24 into such a contract shall be obligated and have the duty to  
25 include an amount sufficient to pay the annual amount of its  
26 obligation each year in the next succeeding appropriation

1 ordinances. No prior appropriation shall be required for a  
2 municipality or political subdivision to authorize the  
3 payments, advances, or obligations provided for in such  
4 contracts or this subsection. Any such contract shall not be a  
5 debt within the meaning of any statutory or constitutional  
6 limitations.

7 (e) Additional powers. In addition to any other powers set  
8 forth in this Division and in the agreement, a commission has  
9 the following powers:

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

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

16 (65 ILCS 5/11-135.5-30 new)

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

18 (a) Revenue bonds; power; purposes. A commission may from  
19 time to time issue its revenue bonds in such principal amounts  
20 as the commission deems necessary to provide sufficient funds  
21 to carry out any of its corporate purposes and powers,  
22 including, without limitation: developing, acquiring,  
23 constructing, extending, or improving a waterworks system or  
24 common source of supply of water, or any combination thereof;  
25 the funding or refunding of the principal of, redemption

1 premium on, if any, and interest on bonds issued by it, whether  
2 or not such bonds or interest to be funded or refunded have or  
3 have not become due; the payment of engineering, legal, and  
4 other expenses, together with interest to a date one year  
5 subsequent to the estimated date of completion of the project;  
6 the establishment or increase of reserves to secure or to pay  
7 such bonds and interest thereon; the providing of working  
8 capital; and the payment of all other costs or expenses of the  
9 commission incident to and necessary or convenient to carry  
10 out its corporate purposes and powers. These bonds shall have  
11 all the qualities of negotiable instruments under the laws of  
12 this State and shall not constitute indebtedness of any of the  
13 municipalities constituting the commission.

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

1 the State of Illinois, or any unit of local government, or any  
2 combination thereof.

3 (c) Receipt of funds by treasurer. Before the treasurer of  
4 the commission is entitled to receive the proceeds of the sale  
5 of such a bond issue, the treasurer shall supply a corporate  
6 surety bond in an amount equivalent to the amount of funds to  
7 be derived from the sale of the bonds, and, in addition  
8 thereto, the treasurer shall supply a separate corporate  
9 surety bond for the faithful accounting of any funds that may  
10 come into that individual's possession in an amount equal to  
11 the amount of funds likely to come into the treasurer's hands  
12 in any one year from the revenue to be derived from the  
13 operation of any of the properties of the commission. The cost  
14 of these surety bonds shall be paid by the commission. The  
15 requirement to supply corporate surety bonds under this  
16 subsection does not apply to the extent that the proceeds of  
17 the sale of the bonds and other funds are subject to the  
18 administration of the trustee pursuant to a trust indenture  
19 with a bank or trust company.

20 (d) Approval process; terms. The revenue bonds shall be  
21 issued pursuant to an ordinance or resolution, or, in the  
22 alternative, pursuant to a master trust indenture as well as a  
23 supplemental trust indenture with each issuance, and may be  
24 issued in one or more series, and shall bear such date or  
25 dates, mature at such time or times within the estimated  
26 period of usefulness of the project involved and, in any

1 event, not more than 50 years from the date thereof, bear  
2 interest at such rate or rates as authorized under Section 2 of  
3 the Bond Authorization Act, which rates may be fixed or  
4 variable, be in such denominations, be in such form, either  
5 coupon or registered, carry such conversion, registration, and  
6 exchange privileges, have such rank or priority, be executed  
7 in such manner, be payable in such medium of payment at such  
8 place or places within or without the State, be subject to such  
9 terms of redemption with or without premium, and contain or be  
10 subject to such other terms as the ordinance or resolution, or  
11 the master trust indenture or supplemental trust indenture or  
12 both, may provide, and shall not be restricted by the  
13 provisions of any other law limiting the amounts, maturities,  
14 interest rates, or other terms of obligations of public  
15 agencies or private persons. The master trust indenture and  
16 any supplemental trust indenture shall be entered into with a  
17 bank or trust company within or outside the State having trust  
18 powers and possessing capital and surplus of not less than  
19 \$50,000,000. The bonds shall be sold in such manner as the  
20 commission shall determine, at private or public sale. It  
21 shall not be necessary that the ordinance or resolution, or  
22 the master trust indenture or supplemental trust indenture or  
23 both, refer to plans and specifications nor that there be on  
24 file for public inspection prior to the adoption of such  
25 ordinance or resolution, or the master trust indenture or  
26 supplemental trust indenture or both, detailed plans and

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

1 their maturity, including the payment of redemption premiums  
2 or interest accruing or to accrue on such bonds or notes being  
3 paid or redeemed, and for the payment of any installments of  
4 interest accrued or to accrue on any bond or note.

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

7 (65 ILCS 5/11-135.5-35 new)

8 Sec. 11-135.5-35. Revenues; rates; costs; construction  
9 contracts.

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

23 (b) Rates and charges for waterworks system. If the  
24 commission has charge of the operation of a complete  
25 waterworks system, including the distribution mains, the



1 commission shall establish rates and charges for water and the  
2 use of commission waterworks system facilities, which shall be  
3 sufficient at all times to pay the cost of operation and  
4 maintenance, to provide an adequate depreciation fund, to pay  
5 the principal of and interest upon all revenue bonds issued as  
6 provided by this Division, to comply with the covenants of the  
7 ordinance or resolution, or the master trust indenture or any  
8 applicable supplemental trust indenture or both, authorizing  
9 the issuance of such bonds, and to carry out the corporate  
10 purposes and powers of the commission. Charges and rates shall  
11 be established, revised, and maintained by ordinance and  
12 become payable as the commission may determine by ordinance.

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

1 of water by the commission to, and the use of commission  
2 waterworks system facilities by, those municipalities. The  
3 commission shall establish such charges and rates for water  
4 supplied to those municipalities and the use of commission  
5 waterworks system facilities as will be sufficient at all  
6 times (1) to pay the cost of operation and maintenance of the  
7 common source of supply of water, (2) to provide an adequate  
8 depreciation fund therefor, (3) to pay the principal of and  
9 interest on the revenue bonds issued by the commission, (4) to  
10 comply with the covenants of the ordinance or resolution, or  
11 the master trust indenture or any applicable supplemental  
12 trust indenture or both, authorizing the issuance of such  
13 bonds, and (5) to carry out the corporate purposes and powers  
14 of the commission, under the provisions of this Division.  
15 Contracts entered into between the commission and the  
16 specified municipalities shall include covenants for the  
17 establishment of rates and charges as provided in this  
18 Section.

19 (d) Pension costs. Contributions to a retirement fund or  
20 other pension alternative authorized by the Illinois Pension  
21 Code, including, without limitation, the Illinois Municipal  
22 Retirement Fund, by commissions created under this Division  
23 which have been included under the retirement fund or other  
24 pension alternative shall be considered a cost of operation  
25 and maintenance for the purposes of this Section.

26 (e) Enforcement of obligations. A holder of a bond or of

1 any of its coupons issued under this Division, in a civil  
2 action, mandamus, or other proceeding, may enforce and compel  
3 performance of all duties required by this Division to be  
4 performed by such a commission or by any of the  
5 municipalities, including the making of rates and charges, the  
6 collecting of sufficient revenue, and the application thereof,  
7 as provided in this Division.

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

1       (g) Project labor agreement. In connection with a contract  
2 by a commission for the construction of all or any portion of a  
3 waterworks system or other public improvement of the  
4 commission, the commission must enter into a project labor  
5 agreement with the applicable local building trades council  
6 prior to the commencement of any and all construction,  
7 building, renovation, demolition, or any material change to  
8 the structure or land.

9       (65 ILCS 5/11-135.5-40 new)

10       Sec. 11-135.5-40. Property.

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

23       (b) Private property. Whenever a commission passes an  
24 ordinance for the construction or acquisition of any  
25 waterworks properties, or improvements or extension or mains,

1 pumping stations, reservoirs, or other appurtenances thereto,  
2 which such commission is authorized to make, the making of  
3 which will require that private property be taken or damaged,  
4 such commission may cause compensation therefor to be  
5 ascertained and may condemn and acquire possession thereof in  
6 the same manner as nearly as may be, as provided for the  
7 exercise of the right of eminent domain under the Eminent  
8 Domain Act. However, proceedings to ascertain the compensation  
9 to be paid for taking or damaging private property shall be  
10 instituted in the circuit court of the county where the  
11 property sought to be taken or damaged is situated.

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

21 (d) Schedule for acquisition. If a commission created  
22 under this Division determines that negotiations for the  
23 acquisition of property or easements for making any  
24 improvement, which such commission is authorized to make, have  
25 proven unsuccessful and, the commission shall have, by  
26 resolution, adopted a schedule or plan of operation for the

1 execution of the project and therein made a finding that it is  
2 necessary to take such property or easements immediately or at  
3 some specified later date in order to comply with the  
4 schedule, the commission may commence proceedings to acquire  
5 such property or easements in the same manner provided in  
6 Article 20 of the Eminent Domain Act (quick-take procedure),  
7 except that, if the property or easement is located in a  
8 municipality having more than 2,000,000 inhabitants, the  
9 commission may not commence such proceedings until the  
10 acquisition has been approved by ordinance of the corporate  
11 authorities of the municipality.

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

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

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

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

22 (h) Agricultural impact mitigation agreement. For any  
23 private property that is used for agricultural purposes, as  
24 defined in Section 1-60 of the Property Tax Code, that is  
25 damaged or taken by a commission created under this Division,  
26 the commission shall enter into an agricultural impact

1 mitigation agreement with the Illinois Department of  
2 Agriculture to ensure any negative impacts to private property  
3 are properly mitigated.

4 (65 ILCS 5/11-135.5-45 new)

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

11 Section 10. The Eminent Domain Act is amended by adding  
12 Section 25-5-85 as follows:

13 (735 ILCS 30/25-5-85 new)

14 Sec. 25-5-85. Quick-take; regional water commissions.  
15 Quick-take proceedings under Article 20 may be used by a  
16 regional water commission for one period of 3 years after  
17 adoption of a schedule for acquisition of property or  
18 easements for the purposes of a regional water commission by a  
19 regional water commission established under Division 11-135.5  
20 of the Illinois Municipal Code. This Section does not  
21 authorize more than one 3-year quick-take period for any one  
22 regional water commission.



1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.".