

MINUTES

Meeting of the Chicago Water Partners Advisory Council (CWPAC)
(An Advisory Body to the Chicago Department of Water Management)
Tuesday, March 12, 2024

Held at DuPage Water Commission, 600 E. Butterfield Rd., Elmhurst IL

Call To Order

The meeting was chaired and called to order at 10:11 a.m. by David Kohn, Deputy Commissioner for Regional Partnerships, Chicago Department of Water Management (CDWM). Mr. Kohn welcomed everyone to the meeting and thanked them for their participation. At this time, Mr. Kohn asked everyone at the meeting to facilitate a roll call and to please introduce themselves.

Roll Call & Self-Introductions

In addition to Mr. Kohn, meeting participants and representatives of suburban communities and water systems in attendance who introduced themselves were:

Michael Schroeder, Supervisor of Public Works, City of Blue Island
Wesley Barber, Superintendent, Broadview-Westchester Joint Water Agency
Rick Barger, Water Operator, Village of Forest Park
Sal Stella, Director of Public Works, Village of Forest Park
Benjamin Daish, Finance Director, City of Berwyn
Andre Lewis, Water Operator, Village of Burnham
John Lord, Treasurer, Midlothian-Markham Water Commission
Tim Watkins, Assistant Director of Public Works, City of Des Plaines
Lido Manetti, Water Department Director, Town of Cicero
Tom Tomschin, Exec. Director, Department of Housing, Town of Cicero
Jason Zurawski, Superintendent, Brookfield-North Riverside Water Commission
Bill Pazdzioch, Water Superintendent, Village of River Grove
Steven Davids, Public Works Department, Village of Stickney
Joe Lopez, Public Works Director, Village of Stickney
Chris Lesniak, Water Superintendent, Village of Bedford Park
Michael Cramer, Public Works Director, Village of South Holland
Michael Bills, Water & Sewer Superintendent, Village of Oak Park
Orlando Velazquez Sr., Water Operator, Village of Oak Park
Michael Reynolds, Interim Public Works Director, Village of River Forest
Ron Baker Sr., Operations Manager, Northwest Suburban Municipal Joint Action Water Agency
Paul May, General Manager, DuPage Water Commission
Chris Bostick, Manager of Water Operations, DuPage Water Commission
William Green, Director of Village Projects, Village of Bridgeview
Allison Swisher, Director of Public Utilities, City of Joliet
Randy Conner, Commissioner, Chicago Department of Water Management
Joel Vieyra, 1st Deputy Commissioner, Chicago Department of Water Management
Scott Greene, Deputy Commissioner of Finance, Chicago Department of Water Management
Kathleen Henly, Asst. to the Commissioner, Chicago Department of Water Management

Concluding the introductions, Mr. Kohn recognized Commissioner Conner for any remarks he wished to share with the group. The Commissioner stated it was his pleasure to attend today's meeting and to meet everyone, adding that he looks forward to the opportunity to work with the CWPAC going forward.

Public Comments

None.

Approval of Minutes

Mr. Kohn thanked everyone for attending the meeting and for introducing themselves. He then turned to consideration of the minutes from the previous meeting of December 12, 2023, noting that draft minutes of that meeting were sent in advance to the members of the CWPAC for review and asking if anyone had any additional comments on or corrections to the minutes. Hearing no further comments, Mr. Kohn stated that he would entertain a motion to approve the draft minutes as amended.

A motion to approve the minutes of December 12, 2023, was made by Mr. Baker and seconded by Mr. Cramer. Mr. Kohn then called for a voice vote to approve the minutes, first asking those in favor to signify by saying "aye" and then asking any opposed to signify by saying "nay." The minutes were approved by unanimous voice vote. Mr. Kohn thanked the members and indicated that the approved minutes would be posted on the CWPAC webpage that has been established on the Department of Water Management website.

Update on Cost-of-Service Rate Modeling

Mr. Kohn then turned to the next item on the agenda, the update requested by CWPAC members on the City of Chicago's efforts to develop individual projected Cost-of-Service (COS) rate models for all suburban wholesale customers, based upon the American Water Works Association (AWWA) COS rate methodology.

He began by recalling that one of the key data points needed to develop accurate COS models for all wholesale customers is peaking factors for each member, such as the values for maximum hourly and maximum daily water demand. He said CDWM continues to look into metering solutions and other technical approaches to capture that data for everyone served by the Chicago Water System.

That being said, he continued, the City continues to work to complete initial projected COS models for everyone following the process that was described in detail at the CWPAC's September 2023 meeting, consistent with the AWWA methodology. The team working on this reports that the first step is receipt of the audited financial statements for CDWM for calendar year 2024, which will provide the most recent and accurate data that may be used to help determine operational costs and correctly apportion those costs across all the customers of the system.

Those audited 2024 financial statements, he added, will be published in June of 2025 and will be used to facilitate a 2024 COS study for the Chicago system. That study will provide the basis for developing COS rate models for all customers, which the City projects will be complete and available in the fall of 2025.

Alluding again to peaking factors, Mr. Kohn stated that once that data becomes available it will be used to further refine the COS models for every customer. Those models, he explained, will provide an initial projected rate, specifically a general range of what each community's rate would look like when Chicago transitions fully to the COS methodology in 2030. The City wants that information to be as accurate as possible, he said, so that our water partners may rely upon it for their respective budgetary and financial projections.

Upon concluding his update, Mr. Kohn asked if anyone had any questions or comments concerning the COS rate modeling. Mr. Tomschin was recognized. He asked if the COS rate models being developed for each wholesale customer are representative of the rates that will be implemented when the Chicago water system transitions to COS pricing in 2030, or whether there might be major changes in those projected rates.

Mr. Kohn affirmed those projected rates would be representative of what will be implemented in 2030. While there will be refinements going forward with respect to data such as peaking factors, he said, the COS models should be reliable and should not be subject to dramatic changes.

Ms. Swisher of Joliet was recognized. She added that an important part of CWPAC's function is to review the COS methodology when it is promulgated by Chicago – essentially, the City's interpretation of the AWWA methodology to be employed – and to provide analysis and feedback on the methodology. CWPAC members, she said, would therefore have an opportunity to comment on and respond to the COS methodology framework that Chicago proposes to use to develop wholesale customers' water rates. Mr. Kohn concurred, stating that Chicago will share with the CWPAC the proposed COS methodology the City intends to use to develop COS rates, and one of the CWPAC's tasks is to review that methodology and provide Chicago with input and suggestions for refinement.

**Update on CDWM Planned Capital Improvements at Jardine & Sawyer Water Purification Plants:
Scott Greene, Deputy Commissioner for Finance, CDWM**

Mr. Kohn next introduced CDWM Deputy Commissioner for Finance, Scott Greene, to offer an update on CDWM's Capital Improvement Plan (CIP), focusing in particular on CIP for the Jardine and Sawyer Water Purification Plants.

Deputy Commissioner Greene thanked Mr. Kohn for the introduction and said he appreciated the opportunity to brief the CWPAC members on CDWM's CIP for these essential components of the Chicago Water System.

He began by explaining that Chicago produces a five-year CIP annually per Mayoral Executive Order, adding that the CIP is not a document that is approved by the City Council but that each individual funding source does require council approval. This process, he said, is a bit different than what one sees with other municipalities and states, where typically a CIP is passed on a bi-annual or tri-annual basis, approving the capital plan as a whole. Instead, Chicago develops its plan and then CDWM's authority for funding is obtained via specific ordinances passed by our City Council on an individual basis. The CIP, he said, will be published by the City's Office of Budget and Management in the second quarter of 2024, most likely in mid-May to mid-June. It's a five-year blueprint of what can be accomplished and noted that this is different from a needs assessment, which is a much more detailed document.

Next, he emphasized that the CIP process is continuous, dynamic, and data driven. He added that CDWM relies upon three principal funding sources for its CIP efforts: water/sewer revenue bonds, IEPA SRF (State Revolving Fund) loans, and Pay-As-You-Go Capital Funding – i.e., setting aside funds in the department's operating budget. He also noted that CDWM has not seen significant large-scale grant opportunities available under the federal Infrastructure Investment and Jobs Act.

He continued, stating that this year, CDWM will conduct its decennial facilities assessment program, which is organized by specific departmental facilities and operational areas: the Jardine Water Purification Plant, the Sawyer Water Purification Plant, CDWM's water intake Cribs in Lake Michigan, the department's twelve pumping stations, and other CDWM facilities – primarily, the Bureau of Operations and Bureau of Meter Services. This program, he said, will inform CIP project priorities within each group.

At this time, Mr. Greene deferred to CDWM First Deputy Joel Vieyra for additional comments. Mr. Vieyra mentioned that in addition to breaking down the facility assessment into groups, CDWM also identifies separate contractors within each category and works with its consultants in this regard. The overall assessment process, he said, is very important, because it will help guide the department's strategy for the next ten years' worth of investments.

Next, Mr. Greene provided greater detail concerning the projected CIP for the Jardine and Sawyer Water Purification Plants, referred to as JWPP and SWPP, respectively.

For the JWPP, he shared that proposed 2024-2028 investments total approximately \$225 million. Highlights of those projects include HVAC improvements; rehabilitation of dehumidification systems; and funding for other important annual programs. In the latter category, he mentioned various short-term CIP needs, including various Job Order Contracting, or "JOC" items (a project delivery method engaging a single general contractor to cover multiple jobs during a set period of time and within a budgetary cap); rebuilding JWPP's low-lift and wash water pumps; improvements to critical SCADA (Supervisory Control and Data Acquisition) systems; upgrades to Laboratory Information Management Systems (LIMS); and also improvements to the JWPP's electrical and security systems.

For the SWPP, he reported that proposed 2024-2028 investments total approximately \$274 million. Highlights of CIP at SWPP include significant expenditures to replace the original Filter Underdrain System that has been in service for more than 70 years; rehabilitation and repair of the Filter Building roof; and improvements to the plant's boiler systems. In the category of annual CIP programs, he listed items including JOC; rebuilding of the SWPP's low-lift and wash water pumps, as well as SCADA and security system upgrades.

Concluding his presentation, Mr. Greene indicated he would be pleased to answer members' questions concerning CDWM's projected CIP.

Before opening the floor for questions, Mr. Kohn mentioned that the CIP process is vital to maintaining the operational integrity of the CDWM system and its infrastructure. By way of further background, he noted that of the City's two water filtration plants, the SWPP is older and became operational in the late 1940s, and the JWPP, which is 20 years younger, dates to the late 1960s. A good illustration of the investment needed, he said, is the Filter Underdrain System at the SWPP, which at the present time consists of the original cast iron piping. He added that if the CWPAC members are interested in discussing specific components of the CIP in greater detail, CDWM would be pleased to invite its CIP and Engineering leadership to a future meeting for that purpose.

Mr. Vieyra was recognized and stressed that the CIP investments that have been described are critical to CDWM and that, as Mr. Greene mentioned, the department continues to review its infrastructure needs on an ongoing basis and to explore every possible source of financial assistance that may be available via state and federal programs. At the bottom line, he said, CDWM is fully committed to ensuring long-term maintenance and improvements of its facilities to ensure that all systems are modernized and in excellent condition, so that the department is able to continue providing to all of its customers the reliable, high-quality water service that CDWM delivers every day.

Mr. Kohn then turned to questions from the members and recognized Ms. Swisher.

Ms. Swisher inquired about the CIP to be published by the City's Office of Budget and Management. Would this document, she asked, be available on a publicly accessible website or might it be distributed? Mr. Greene replied that the document would indeed be available on the City of Chicago's website, but so CWPAC members do not have to look for it online, once posted he said he would be happy to obtain a copy and work with Mr. Kohn to send it to everyone on the CWPAC email distribution list.

Mr. May was recognized and said he had a question concerning the CDWM facilities condition assessment. Is there, he asked, a schedule for when the department expects that to be completed? His interest, he said, relates to the development of the COS rate models previously discussed by Mr. Kohn. Will the new information from the condition assessment be embedded within the COS model?

Mr. Greene confirmed the facilities condition assessment results would be factored into the 2025 COS study. He said he had already had conversations with the team working on COS modeling to alert them that these results would be forthcoming and that the model will reflect the condition assessment information.

Mr. Kohn then recognized Mr. Baker. He inquired about improvements to CDWM facilities outside of the purification plants, specifically the pumping stations such as Mayfair.

Mr. Greene replied that Mr. Baker posed an excellent question. While for purposes of today's meeting we've focused primarily upon the purification plants, he said, once the CIP book is published it will include subsections broken out into various programs with additional detail by sub-programs. For CDWM's two "enterprise systems," he added, one will see a sewer program and a water system program. Among the latter, for example, JWPP is an individual sub-program and SWPP is an individual sub-program. The pumping stations are also included as a sub-program, he said, and CDWM is endeavoring to provide as much discrete information as possible in the interest of full transparency.

Mr. Kohn then asked if there were any further questions or comments concerning the CIP information. Hearing none, he thanked Mr. Greene for his presentation and moved to the next item on the agenda.

Consideration and Adoption of CWPAC Draft By-Laws

The next item on the agenda, Mr. Kohn said, is consideration and adoption of the draft by-laws, which were sent in advance for review. He stated that, unfortunately, today's meeting falls a few representatives short of a quorum, so the CWPAC therefore will not be able formally adopt the by-laws today. He then suggested that perhaps there was another way to approach this matter, by convening an online meeting of the membership for the specific purpose of considering and adopting the by-laws, if that could be accomplished within the guidelines of the Open Meetings Act by providing appropriate public notice and access.

He asked whether the members would favor the idea of having a special meeting online in between today's meeting and the next regularly scheduled quarterly meeting with just the by-laws as an agenda item. Seeing that the members seemed to agree with this concept, he said he would confirm that such an online meeting would be allowable and would send out an email survey to the CWPAC to identify a date and time that works for all concerned. That would be most welcome, he said, especially given the need to adopt formal by-laws for the ongoing operation of the CWPAC.

Mr. Kohn added that he and CDWM are very grateful to everyone for attending the CWPAC meetings, noting that everyone has very busy schedules and water systems to run. Your attendance, he said, says a lot about your commitment to what you do and to getting this organization underway.

He also commended to everyone's attention the webpage on the CDWM website that is devoted to Regional Partnerships and the CWPAC (<https://www.chicago.gov/city/en/depts/water/provdrs/pship.html#>), which is beginning to be populated with helpful information including the minutes of previous meetings held to date. If one of the CWPAC partners may have missed a meeting, the information posted on that webpage allows them to catch up on the matters that have been discussed at each of the organization's meetings.

He continued, mentioning that the Illinois Department of Natural Resources (IDNR) now has issued its Final Order concerning Lake Michigan water allocations from 2030 through 2050 for all Illinois communities that obtain water from the lake. He observed that those numbers are important to the CWPAC for two purposes under its structure. One of those is the voting system envisioned under the draft By-Laws, in which part of the roll call structure will be based upon everyone's IDNR allocation as a weighted vote; the other aspect where the allocations come into play is determining the members of the CWPAC Executive Committee that will help lead the group and develop agendas going forward.

Old Business

None.

New Business

Mr. Kohn said that while he would look into the proposed online By-Law consideration meeting and confirm whether that would comply with Open Meetings Act guidelines, he mentioned that the CWPAC needs to identify a location for its next regularly scheduled quarterly meeting on Tuesday, June 11. He suggested that the group may again be able to convene at the Chicago Plumbers Hall/Local 130 in the near west side of the city. He asked if the group supported this suggestion, and seeing many members nodding in agreement, he said he would reach out to Local 130 to inquire if they could accommodate the CWPAC's June 11 (10-noon) meeting.

Adjournment

There being no further business before the CWPAC, Mr. Kohn asked for a motion to adjourn the meeting. **Said motion was offered, seconded, and approved by voice vote and the meeting was adjourned at 10:55 a.m.**