

**November 28, 2011
Special Session**

**State of Illinois
County of Cook
Village of Stickney**

The Board of Trustees of the Village of Stickney met in Special Session on Monday, November 28, 2011, at 9:03 a.m. in the Stickney Village Hall, Conference Room, 6533 W. Pershing Road, Stickney, Cook County, Illinois

**Upon the roll call, the following Trustees were present:
Trustees Schimel, White and Zeedyk
Absent: Trustees Mares, Morelli and Walik**

Treasurer Kurt Kasnicka and Public Works Supervisor Joe Lopez were in attendance.

President O'Reilly explained that the main reason for this meeting was to discuss the water rate increases that Chicago will be passing on to us. This has been widely exposed in the media. He provided the increases that will be seen over the next four years. In 2012 will be 25%, after that it will be 15% each year.

Trustee Schimel gave a report on the history of other water rate increases. In 2008 the water rates were raised. Kurt Kasnicka provided the facts. In 2008 there was a 15% increase. In 2009 there was a 15% increase and in 2010 there was a 14% increase. This translated to a 45% increase. There wasn't an increase in 2011. Trustee Schimel explained that concurrent to this raise the new electronic meters were being installed. People were now getting accurate readings with this increase of the rates.

Trustee Schimel voiced his opinion on how Chicago does not require water meters. He personally felt that Chicago should demand that water meters be installed in the homes and businesses in Chicago and stop increasing the water rates of the suburbs that receive water from Chicago. He offered to go before the Chicago board and testify. He knows people in Chicago who pay nothing or as little as \$50 per year.

President O'Reilly clarified that the mayor's caucus did put together a task force to address it. This didn't seem to matter because the Chicago Board passed the increase unanimously. He felt it is fruitless.

Trustee White responded that he felt we had the best water rates around based on what some of his friends are paying in Suburban Cook County. He foresaw that this is just one part of the big picture. Chicago doesn't have any money. They are calculating on what they can do to raise more funds.

President O'Reilly explained that there was a lawsuit in the past where the suburbs sued the City of Chicago over the water rates and won. Stickney did see some refunds from this suit. For the suburbs, such as Stickney, that are connected to Chicago and we paid the same rates

they charge their residents. The increases are the same as they charge their residents. Our issue is we also take the same rate and we have to put our water department, maintenance, and all our expenses into that. We don't have a special sewer rate. Anything with a sewer problem is taken out of that water fund. We might be low but we are paying the same rate as their residents. Stickney has a direct connect water to Chicago. Some other communities act as a supplier to other communities and charge accordingly to run their water service. We do not do that.

President O'Reilly further explained that the City of Chicago, besides the same rate that we are paying them, once all their increases are done, their sewer rate will be equal to their water rate. As an example he said, "If you paid \$100 for water, you will be paying \$100 for sewer," and so on. We don't do that.

President O'Reilly elaborated on the fact that the residential usage is minor. Seventy-one percent of the water is used outside of the residential area of the village. There is such a small part that is being considered here.

Treasurer Kurt Kasnicka displayed a chart of the increases. He noted that he rounded down the numbers. The rate increases for the minimum residential usage will be \$6 in 2012, \$8 in 2013, \$6 in 2014, \$7 in 2014 and \$8 in 2015. This is an average increase of approximately \$4 per month. Kurt Kasnicka explained that our Village Engineers have done a survey in the past of the municipalities they service. They studied the different rates. Stickney has a water rate that covers everything. Some charge a sewer rate. Some have a surcharge added on. Some have an administrative fee. An added statement was made on the fact that foreclosed homes may have had their water turned off. They aren't charged a minimum charge. Very often vacant homes still have a bill for garbage and water because they wish to have the house normal for potential buyers.

Trustee Zeedyk felt little if anything can be done to fight this. President O'Reilly gave a long list of what Chicago is raising. President O'Reilly reminded us that we have the same water rate as what Chicago is charging. We are tacking fees on to run our operation. We are still fighting as an outside group.

Trustee White feels that we have to pay it either way. He would rather put our energy into something we could change.

Trustee Schimel addressed the fact that water meters need to be installed in Chicago.

A question was raised over the cost of the water and the cost of other expenses. Since 2009 we finished the electronic meters to eliminate an employee reading the meters. It was noted that some homes with a new meter were discovered to have had leaks. Every drop is sensed. We notify the people when such a leak is discovered. Our water usage has gone down in the residential area the last fiscal year in the monthly average. Residential is at 28% now, commercial is at 11%, industrial is 7%, and industrial special is at 53% (Koppers and Hawthorne Race Course). Last fiscal year residential was at 31%, commercial was at 10%, industrial was at 6% and industrial special was at 54%.

Since the new administration took office, the village has put in a new meter at one of our industrial businesses and eventually found that they had a major water main leak. His bill is now \$1600 per month from \$4000 per month. The next thing that happened to us was Laramie Avenue and Pershing. We discovered that there was an ongoing leak that was going on for three years. It appears in the winter but the source was never discovered. It actually was chlorinated water coming from Stickney. That repair was accomplished.

The last fiscal year we paid Chicago 24% more than what we are billing for used water. We are going install two new meters for the race course for more accuracy. Then we will address Koppers. We will be taking care of the big users and catch the leaks for them. We need accuracy.

The dedicated water fund balance is taking care of the mains that are breaking. It took care of the hydrant replacements. We still have two bad mains to repair in the future. Some discussion was held on various aspects of those repairs. We also have to face the need of a water tank.

Both of the schools in the Village have had new electronic meters installed.

A consensus was found that the Chicago water rate increase be passed on to the customers. President O'Reilly stated that on our end we will use our funds to buy new meters and get our industrial and commercial up to speed and get a true reading.

The meeting adjourned at 9:45 a.m.

Respectfully submitted,

Audrey McAdams, Clerk

Approved by me, this 7th day of December, 2011

Daniel O'Reilly, President