

CITY OF VILLA GROVE  
DOUGLAS COUNTY, ILLINOIS

ORDINANCE NO. 2021-MC04

**AN ORDINANCE AUTHORIZING ISSUANCE FOR A REQUEST  
FOR PROPOSAL OF THE SALE OF THE CITY WATER AND SEWER SYSTEMS**

PASSED BY THE CITY COUNCIL AND  
APPROVED BY THE MAYOR OF THE  
CITY OF VILLA GROVE, ILLINOIS  
THIS TWENTY SECOND DAY OF MARCH, 2021

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PUBLISHED IN PAMPHLET FORM BY AUTHORITY OF THE MAYOR AND CITY COUNCIL OF THE CITY  
OF VILLA GROVE, DOUGLAS COUNTY, ILLINOIS, THIS TWENTY THIRD DAY OF MARCH, 2021

CITY OF VILLA GROVE  
DOUGLAS COUNTY, ILLINOIS

ORDINANCE NO. 2021-MC04

March 22, 2021

**AN ORDINANCE AUTHORIZING ISSUANCE FOR A REQUEST  
FOR PROPOSAL OF THE SALE OF THE CITY WATER AND SEWER SYSTEMS**

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**WHEREAS**, the City of Villa Grove, Douglas County, Illinois (the "City"), is a duly organized and existing City created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto with full powers to enact ordinances for the benefit of the residents of the City.

**WHEREAS**, the City has identified serious problems with its existing water system and existing sewer system and it has determined that it has insufficient capital and resources to upgrade its systems; and

**WHEREAS**, 65 ILCS 5/ Article 5 "Water Supply and Sewage Systems" authorizes the City to contract for a supply of water and for sanitary sewer service; and

**WHEREAS**, the Constitution of the State of Illinois and Illinois Compiled Statutes including but not limited to 65 ILCS 5/11-76-1, 65 ILCS 5/11-76-2, 65 ILCS 5/11-76-4, 220 ILCS 5/9 and applicable case law authorize the City to sell and/or transfer assets; and

**WHEREAS**, the City has considered input from the public from numerous public meetings held over the past year, together with the advice of its engineers, and engaged the consulting services of engineer Gerry Hartman and has determined soliciting a request

for proposals for the sale of the water and sewer system ("RFP") could create an additional option to provide such services to its citizens; and

**WHEREAS**, the City Council has determined that it is advisable, necessary and in the best interest of the City and its residents to explore its options by issuing an RFP; and

**WHEREAS**, it is in the best interest of the City to issue an RFP in substantially the same form as the version attached hereto and by reference incorporated herein.

**NOW THEREFORE, BE IT ORDAINED** by the Mayor and the City Council of Villa Grove, Illinois as follows:

SECTION 1: Incorporation Clause. The Mayor and City Council members hereby find that all of the recitals hereinbefore stated as contained in the preambles to this Ordinance are full, true and correct and does hereby, by reference, incorporate and make them part of this Ordinance.

SECTION 2: Purpose. This ordinance is to issue a request for proposals for the sale of the water and sewer system.

SECTION 3. RFP Authorized. This ordinance hereby authorizes the Mayor and City Administrator to issue, publish and distribute the attached request of proposals for the sale of the water and sewer systems with adjustments to same as they deem appropriate and distribution of same as they deem appropriate. The issuance of the within request for proposals shall not obligate the City to sell either or both systems and the City reserves the right to reject any and/or all proposals.

SECTION 4: Invocation of Authority. This ordinance is enacted pursuant to the authority granted to this City by the Constitution of the State of Illinois and Illinois Compiled Statutes including but not limited to 65 ILCS 5/11-76-1, 65 ILCS 5/11-76-2, 65 ILCS 5/11-76-4, 220 ILCS 5/9 and applicable case law.

SECTION 5: State Law Adopted. All applicable provisions of the Illinois Compiled Statutes, including the Illinois Municipal Code, as may be amended from time to time, relating to the purposes of this ordinance are hereby incorporated herein by reference.

SECTION 6: Other Actions Authorized. That the Mayor and City Administrator are hereby authorized and directed to do all things necessary, essential, or convenient to carry out and give effect to the purpose and intent of this ordinance.

SECTION 7: Acts of Village Officials. That all acts and doings of the officials of the City, past, present, and future which are in conformity with the purpose and intent of this ordinance, are hereby in all respects, ratified, approved, authorized and confirmed.

SECTION 8. Headings. The headings for the articles, sections, paragraphs and sub-sections of this ordinance are inserted solely for the convenience of reference and form no substantive part of this ordinance nor should they be used in any interpretation or construction of any substantive provisions of this ordinance.

SECTION 9: Severability. The provisions of this Ordinance are hereby declared to be severable and should any provision, clause, sentence, paragraph, sub-paragraph, section, or part of this Ordinance be determined to be in conflict with any law, statute or regulation by a court of competent jurisdiction, said provision shall be excluded and deemed inoperative, unenforceable, and as though not provided for herein, and all other provisions shall remain unaffected, unimpaired, valid and in full force and effect. It is hereby declared to be the legislative intent of the City Council that this Ordinance would have been adopted had not such unconstitutional or invalid provision, clause, sentence, paragraph, sub-paragraph, section, or part thereof had not been included.

SECTION 10: Superseder and Publication. All code provisions, ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded. A full, true and complete copy of this Ordinance shall be published in pamphlet form as provided by the Illinois Municipal Code, as amended.

SECTION 11: Effective Date. This Ordinance shall be in full force and effect upon passage and approval, as provided by the Illinois Municipal Code, as amended.

**PRESENTED, PASSED, APPROVED AND ADOPTED** BY THE MAYOR AND CITY COUNCIL OF THE CITY OF VILLA GROVE, ILLINOIS, at its regular meeting on this twenty second day of March, A.D., 2021, by a roll call vote as follows:

Blaney, Thelma I. yea

Hooker, Anthony L. yea

Eversole-Gunter, Cassandra A. —

Johnson, Derek S. yea

Garrett, Ryan P. yea

Pangburn, Matthew M. yea

Griffith, Darrel M. ~~yea~~ NO  
correction by mosb

APPROVED:

Cassandra A. Eversole-Gunter  
CASSANDRA A. EVERSOLE-GUNTER  
Mayor

ATTEST:

Michelle L. Osborne  
MICHELLE L. OSBORNE  
City Clerk



**CITY OF  
VILLA GROVE, ILLINOIS**

**REQUEST FOR PROPOSALS FOR THE PURCHASE  
OF THE CITY WATER SYSTEM, THE SEWER SYSTEM  
AND RELATED ASSETS**

**RFP SPECIFICATIONS**

**Dated: March 22, 2021**

**Final Proposal Due: May 3, 2021**

**All Proposals Due No Later Than 10:00 A.M. Central Standard Time**

**NOTICE OF SALE OF REAL AND PERSONAL PROPERTY OWNED BY  
THE CITY OF VILLA GROVE AND AN INVITATION TO BID THEREON**

**PLEASE TAKE NOTICE THAT** the City of Villa Grove, Illinois has received inquiries for the purchase of City-owned property, both real property and personal property, currently utilized by the City of Villa Grove in the operation of its potable water facility and distribution system and its sanitary sewer transportation and processing system. The City of Villa Grove has determined that all of said property is no longer deemed necessary or required for public use and it is the intent of the City of Villa Grove to cease the operation of a potable water facility and distribution system as a municipal service if a responsible entity is found to be willing and able to provide potable water service to the residents and business of the City of Villa Grove following the purchase of said assets.

In compliance with state statutes and caselaw, including, but not limited to, 220 ILCS 5/9-210.5, 65 ILCS 5/11-76-1, 5/11-76-2, 5/11-76-4 and *City of Jacksonville v. Padgett*, 413 Ill 189, 108 N.E.2d 460 (1952), alternative proposals for the purchase of the aforesaid real estate, including easements, together with all personal property, currently utilized by the City of Villa Grove in connection with the operation of its water collection, treatment facility and water distribution system and its sanitary sewer transportation and processing system are being requested. The list of parcels of real estate, including easements, and various items of personal property, intended to be included in this proposed sale of municipal property owned by the City of Villa Grove will include, but not be limited to, the real estate comprising the water tower, being portions of the following property descriptions and more particularly and legally described in a document entitled "Villa Grove RFP" which specifies terms that take priority over this notice:

Further descriptions contained in a bid packet for the property intended to be included in this proposed sale including available maps, plans of the water system, plans of the sewer system, reports summarizing capital improvements, and summary income and expense statements is available for review by contacting the office of the City Administrator at the City's Administrative and Billing Offices located at 120 N. Main St., Villa Grove, Illinois.

Proposals for purchase shall include a total purchase price and shall also include additional commitments of the purchaser to assure that a safe and potable water system that is properly maintained and compliant together with a compliant and maintained sanitary sewer transportation and processing system shall be available to the residents and businesses of the City of Villa Grove following the sale and purchase of the above referenced assets. All proposals shall include provisions to pay all extraordinary costs incurred by or on behalf of the City of Villa Grove in connection with the preparation for the sale of the aforesaid real and personal property, including publication costs, special attorney's fees and all closing costs customarily incurred by sellers with regard to real estate transactions.

All proposals for the purchase of the aforesaid real and personal property shall follow the format of the "Villa Grove RFP" document attached hereto and by reference is incorporated herein, will be received by the City Administrator of the City of Villa Grove, Illinois, between the hours of 8:00 a.m. and 12:00 p.m. on each regular business day until 10:00 A. M. May 3, 2021. Proposals shall be both in writing and provided in an electronic format. Proposals may be mailed or delivered to:

Mayor and City Council  
City of Villa Grove, Illinois  
c/o: City Administrator  
PO Box 108  
120 N. Main Street  
Villa Grove, IL 61956

and shall bear the legend "PROPOSAL/SALE OF REAL AND PERSONAL PROPERTY UTILIZED IN THE WATER & SEWER SYSTEMS OF THE CITY OF VILLA GROVE" and shall contain the full name and address of the entity tendering any proposal.

All proposals received will be discussed at a regular meeting of the City of Villa Grove Council to be held at 7:00 p.m. on May 10, 2021. A contract for the purchase of the business, real estate and personal property herein described above may be awarded to the proposal found to be in the best interest of the City of Villa Grove. The final terms and conditions of the accepted proposal will be negotiated



by the parties and will be subject to final approval of the City Council which shall reserve the right to reject such proposal if, in its sole discretion, it is not satisfied with the final terms. The City Council for the City of Villa Grove hereby reserves the right to accept or reject any and all proposals and to waive any and all informalities or irregularities in the process. The City of Villa Grove City Council further reserves the right to review and study any and all proposals. Information provided by the City is based upon the best of its knowledge and belief but is not necessarily accurate and that any bidders assume responsibility for verifying the accuracy of all information provided by the City of Villa Grove.

CITY OF VILLA GROVE, ILLINOIS

## **CITY OF VILLA GROVE RFP**

### *Villa Grove Water and Sewer Systems*

Authorities and companies responding to this Request for Proposals (RFP) must prepare their responses with section dividers corresponding to the following sections. Each section must be in the same order and numbered to correspond to the number of each section listed.

Respondents submitting proposals must adhere to this form. Failure to do so could lead to non-consideration of a proposal.

#### **1. Cash Purchase Price**

Cash purchase price and any contingencies with respect to closing. Pricing shall provide approach to be utilized in establishing value of the systems.

#### **2. Rates**

- a. Provide your current water/sewer rate and charges and a five-year history of any changes to such rates and charges.
- b. Provide proposed rates separately for water system operation and wastewater system operations

#### **3. Capital Improvements Approach**

Provide narrative of proposed approach to addressing the capital needs anticipated to be addressed in the first five years. The City anticipates the consideration of the following:

- a. Upgrade to the Wastewater Treatment Plant
- b. Upgrade to the Wastewater Pump Stations (Six (6) Lift Stations)
- c. Inflow/Infiltration Repairs
- d. Wastewater Renewals and Replacements
- e. Hydrants, Looping and Water Distribution System Improvements
- f. Water Renewals and Replacements

#### **4. Organization**

The Respondent shall provide a description of their business including:

- a. organizational structure
- b. number of current water and sewer customers
- c. provide all systems owned in Illinois

#### **5. Proposed Transition Plan to Assume Full Operational Control of Systems**

The Respondent should describe its proposed plan to transition full operational control of the contemplated systems from the City to the Purchaser. This includes the specific steps required to assume control of water and sewer system maintenance activities, customer service call center functions, utility billing and collection functions. The transition plan

should note specific dates at which the City must provide customer billing information to the Purchaser in order to successfully complete the transition.

**6. Qualifications and Experience**

The Respondent shall provide information regarding its experience, knowledge, skills, and abilities for owning, operating, and managing water and sewer utility organizations.

- a. Identify the systems purchased in the past five (5) years in Illinois.
- b. Highlight significant Infrastructure Investment
- c. Corporate Responsibility
- d. Environment & Water Quality Compliance History
- e. Other pertinent information as appropriate

**7. Employee Retention.**

As a condition of the sale, any proposal will contain the agreement of the Respondent to hire 1 existing City employee who shall work for Respondent for a period of time extending not less than 2 years after closing.

**8. Signage.**

City will retain the right to have its name and/or a slogan painted on any water tower located in the City at the Respondent's cost.

**9. Antenna.**

The City shall retain the right to install and use an antenna on the water tower.

**10. ESDA**

Real estate shall be conveyed subject to an easement to the City to use and maintain one or more sirens for its emergency alert system.

**11. IEPA Compliance**

The Respondent shall list all non-compliance issues with IEPA in 2020 with a description of the issue and the compliance program.

**12. Customer Service**

The respondent shall include information regarding compliance with Illinois Commerce Commissioner customer service regulations.

**13. Contact Person.**

Respondent shall provide one to three contact person(s) including address, phone number and email address.

## INITIAL CITY TERMS AND CONDITIONS

The minimum City terms and conditions to be included in this transaction, the Asset Purchase Agreement, and/or the Franchise Agreement are as follows:

- a.) City to operate in the normal course of business through closing
- b.) All real estate and personal property assets of the water and wastewater facilities and systems transferred to Buyer at closing
- c.) All needed utility easements and all rights-of-ways and access transferred to Buyer
- d.) Reservation by the City of any new easement or rights-of-way for access to and City owned real property not being sold as part of the transaction
- e.) All water and sewer customer accounts transferred to Buyer, except accounts receivable related thereto or services provided but not yet billed
- f.) All intangibles, records, drawings, reports, permits and like documents, or copies thereof, transferred to Buyer
- g.) Buyer to provide to the City copies of all independent third party appraisals of the real and personal property assets of the water and wastewater property obtained by the Buyer, with the final purchase price to be equal to the average of all of said appraisals
- h.) Offer of employment to the current utility at not less than current salary and benefits, and acceptance and assumption by the Buyer of all responsibility for funding of all employee pension funds by the Buyer, and full indemnification of the City
- i.) Acceptance and assumption by the Buyer of all responsibility for repair and maintenance of the entire water and wastewater facilities and systems, including all underground mains and water and wastewater lines, and full indemnification of City
- j.) "As-is" transaction in regard to all real and personal property, contract rights and other intangibles, based on pre-bid inspections and documentary information received by Buyer
- k.) Current City customer rates to be maintained for one (1) year after closing, subject to ICC review and approval of contract
- l.) Negotiation of standard Franchise Agreement for future operation of the Utilities, including, but not limited to, Buyer maintenance and replacement of the fire and flushing hydrants
- m.) Cooperation of the due diligence/negotiation phase by the Buyer
- n.) Buyer to prepare, all necessary petitions, evidence transcripts, proposed orders and other documents necessary to be filed with the ICC and attend all hearings as necessary to obtain approval of the transaction by the ICC pursuant to all of the terms, provisions and conditions of the Small Systems Viability Act at no cost to the City
- o.) Warranty Deed(s), Assignment(s), and Bill(s) of Sale provided by City
- p.) Satisfaction of liens, encumbrances of title problems to transfer free and clear title from City
- q.) Assurance and agreement by the Buyer of continued use of all property transferred to the Buyer for the continued operation of the water and wastewater facilities systems for the public interest

- r.) All Accounts Receivable billed, or for services provided but not yet billed, prior to closing, shall be paid to City
- s.) Materials and supplies on hand paid to City at cost
- t.) Inventory of consumables at closing at an appropriate level for continuous operations for not less than two (2) weeks on hand paid to City at cost
- u.) Pre-closing inspection of closing documents
- v.) Consideration for performance and penalty or resolution of non-performance
- w.) Verification of proper authorization of officer to bind each party, and usual resolutions and/or ordinances authorizing acts and actions
- x.) Conduct of all parties after agreement and before closing not to diminish the value or hamper operations
- y.) City to keep existing water and sewer Funds, restricted Funds, and other cash on hand at closing
- z.) Closing Date, Time, Place and Procedures
  - aa.) Certificate of no outstanding litigation, or disclosed, if any
  - bb.) Payment of documentary stamps and recording cost by Buyer
  - cc.) Payment for title searches, title insurance policy preparation and premiums, prepared by City representative paid by Buyer
  - dd.) Buyer to reimburse City for professional fees, publication costs, and other expenses related to preparation of the RFQ & RFP, RFP Supplemental Information, ordinances, notices, and other related documents not to exceed \$50,000.00

## **APPENDICES**

The attached information represents materials on file with the City of Villa Grove, Illinois. They are provided as informational copies for use by third party bidders in due diligence review and inspection. By accepting these materials, the recipient does so acknowledge that it is.

APPENDIX A  
WATER AND WASTEWATER SYSTEMS VALUATION STUDY