

SB3086



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3086

Introduced 2/15/2018, by Sen. Linda Holmes

SYNOPSIS AS INTRODUCED:

5 ILCS 220/3.1 from Ch. 127, par. 743.1
5 ILCS 220/3.4 from Ch. 127, par. 743.4

Amends the Intergovernmental Cooperation Act. Modifies the qualifications for Directors of the governing body of a Municipal Joint Action Water Agency to include an appointed official of a member municipality, public water district, township, State university, or county. Provides that for any Municipal Joint Sewage Treatment Agency established after the effective date of this amendatory Act, a Director sitting on the Board of Directors shall not be required to be an elected official of a member municipality or county, but may be an appointed official of a member municipality or county. Effective immediately.

LRB100 19664 RJF 34938 b

A BILL FOR

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Intergovernmental Cooperation Act is
5 amended by changing Sections 3.1 and 3.4 as follows:

6 (5 ILCS 220/3.1) (from Ch. 127, par. 743.1)

7 Sec. 3.1. Municipal Joint Action Water Agency.

8 (a) Any municipality or municipalities of this State, any
9 county or counties of this State, any township in a county with
10 a population under 700,000 of this State, any public water
11 district or districts of this State, State university, or any
12 combination thereof may, by intergovernmental agreement,
13 establish a Municipal Joint Action Water Agency to provide
14 adequate supplies of water on an economical and efficient basis
15 for member municipalities, public water districts and other
16 incorporated and unincorporated areas within such counties.
17 Any such Agency shall itself be a municipal corporation, public
18 body politic and corporate. A Municipal Joint Action Water
19 Agency so created shall not itself have taxing power except as
20 hereinafter provided.

21 A Municipal Joint Action Water Agency shall be established
22 by an intergovernmental agreement among the various member
23 municipalities, public water districts, townships, State

1 universities, and counties, upon approval by an ordinance
2 adopted by the corporate authorities of each member
3 municipality, public water district, township, State
4 university, or county. This agreement may be amended at any
5 time upon the adoption of concurring ordinances by the
6 corporate authorities of all member municipalities, public
7 water districts, townships, State universities, and counties.
8 The agreement may provide for additional municipalities,
9 public water districts, any State universities, townships in
10 counties with a population under 700,000, or counties to join
11 the Agency upon adoption of an ordinance by the corporate
12 authorities of the joining municipality, public water
13 district, township, or county, and upon such consents,
14 conditions and approvals of the governing body of the Municipal
15 Joint Action Water Agency and of existing member
16 municipalities, public water districts, townships, State
17 universities, and counties as shall be provided in the
18 agreement. The agreement shall provide the manner and terms on
19 which any municipality, public water district, township, or
20 county may withdraw from membership in the Municipal Joint
21 Action Water Agency and on which the Agency may terminate and
22 dissolve in whole or in part. The agreement shall set forth the
23 corporate name of the Municipal Joint Action Water Agency and
24 its duration. Promptly upon any agreement establishing a
25 Municipal Joint Action Water Agency being entered into, or upon
26 the amending of any such agreement, a copy of such agreement or

1 amendment shall be filed in the office of the Secretary of
2 State of Illinois. Promptly upon the addition or withdrawal of
3 any municipality, public water district, township in a county
4 with a population under 700,000, or county, or upon the
5 dissolution of a Municipal Joint Action Water Agency, that fact
6 shall be certified by an officer of the Agency to the Secretary
7 of State of Illinois.

8 (b) The governing body of any Municipal Joint Action Water
9 Agency established pursuant to this Section 3.1 shall be a
10 Board of Directors. There shall be one Director from each
11 member municipality, public water district, township, State
12 university, and county of the Municipal Joint Action Water
13 Agency appointed by ordinance of the corporate authorities of
14 the municipality, public water district, township, or county.
15 Each Director shall have one vote, and shall meet the
16 requirements of paragraphs (1) or (2), as applicable.

17 (1) Each Director shall be the Mayor or President of
18 the member municipality, or the chairman of the board of
19 trustees of the member public water district, the
20 supervisor of the member township, the appointee of the
21 State university, or the chairman of the county board or
22 chief executive officer of the member county or a county
23 board member appointed by the chairman of the county board
24 of the member county, appointing the Director; an elected
25 member of the corporate authorities of that municipality,
26 public water district, township, or county; or other

1 elected official of the appointing municipality, public
2 water district, township, or county. Any agreement
3 establishing a Municipal Joint Action Water Agency shall
4 specify the period during which a Director shall hold
5 office and may provide for the appointment of Alternate
6 Directors from member municipalities, public water
7 districts, townships, or counties. The Board of Directors
8 shall elect one Director to serve as Chairman, and shall
9 elect persons, who need not be Directors, to such other
10 offices as shall be designated in the agreement.

11 (2) For any Municipal Joint Action Water Agency
12 established after the effective date of this amendatory Act
13 of the 100th General Assembly, each Director shall either:
14 (i) meet the qualifications specified under paragraph (1);
15 or (ii) be an appointed official of a member municipality,
16 public water district, township, State university, or
17 county, as designated by ordinance or other official
18 action, from time to time by the corporate authorities of
19 the member municipality, public water district, township,
20 State university, or county.

21 The Board of Directors shall determine the general policy
22 of the Municipal Joint Action Water Agency, shall approve the
23 annual budget, shall make all appropriations (which may include
24 appropriations made at any time in addition to those made in
25 any annual appropriation document), shall approve all
26 contracts for the purchase or sale of water, shall adopt any

1 resolutions providing for the issuance of bonds or notes by the
2 Agency, shall adopt its by-laws, rules and regulations, and
3 shall have such other powers and duties as may be prescribed in
4 the agreement. Such agreement may further specify those powers
5 and actions of the Municipal Joint Action Water Agency which
6 shall be authorized only upon votes of greater than a majority
7 of all Directors or only upon consents of the corporate
8 authorities of a certain number of member municipalities,
9 public water districts, townships, State universities, or
10 counties.

11 The agreement may provide for the establishment of an
12 Executive Committee to consist of the municipal manager or
13 other elected or appointed official of each member
14 municipality, public water district, township, State
15 university, or county, as designated by ordinance or other
16 official action, from time to time by the corporate authorities
17 of the member municipality, public water district, township,
18 State university, or county, and may prescribe powers and
19 duties of the Executive Committee for the efficient
20 administration of the Agency.

21 (c) A Municipal Joint Action Water Agency established
22 pursuant to this Section 3.1 may plan, construct, improve,
23 extend, acquire, finance (including the issuance of revenue
24 bonds or notes as provided in this Section 3.1), operate,
25 maintain, and contract for a joint waterworks or water supply
26 system which may include, or may consist of, without

1 limitation, facilities for receiving, storing, and
2 transmitting water from any source for supplying water to
3 member municipalities, public water districts, townships, or
4 counties (including county special service areas created under
5 the Special Service Area Tax Act and county service areas
6 authorized under the Counties Code), or other public agencies,
7 persons, or corporations. Facilities of the Municipal Joint
8 Action Water Agency may be located within or without the
9 corporate limits of any member municipality.

10 A Municipal Joint Action Water Agency shall have such
11 powers as shall be provided in the agreement establishing it,
12 which may include, but need not be limited to, the following
13 powers:

14 (i) to sue or be sued;

15 (ii) to apply for and accept gifts or grants or loans
16 of funds or property or financial or other aid from any
17 public agency or private entity;

18 (iii) to acquire, hold, sell, lease as lessor or
19 lessee, transfer or dispose of such real or personal
20 property, or interests therein, as it deems appropriate in
21 the exercise of its powers, and to provide for the use
22 thereof by any member municipality, public water district,
23 township, or county;

24 (iv) to make and execute all contracts and other
25 instruments necessary or convenient to the exercise of its
26 powers (including contracts with member municipalities,

1 with public water districts, with townships, and with
2 counties on behalf of county service areas); and

3 (v) to employ agents and employees and to delegate by
4 resolution to one or more of its Directors or officers such
5 powers as it may deem proper.

6 Member municipalities, public water districts, townships,
7 State universities, or counties may, for the purposes of, and
8 upon request by, the Municipal Joint Action Water Agency,
9 exercise the power of eminent domain available to them, convey
10 property so acquired to the Agency for the cost of acquisition,
11 and be reimbursed for all expenses related to this exercise of
12 eminent domain power on behalf of the Agency.

13 All property, income and receipts of or transactions by a
14 Municipal Joint Action Water Agency shall be exempt from all
15 taxation, the same as if it were the property, income or
16 receipts of or transaction by the member municipalities, public
17 water districts, townships, State universities, or counties.

18 (d) A Municipal Joint Action Water Agency established
19 pursuant to this Section 3.1 shall have the power to buy water
20 and to enter into contracts with any person, corporation or
21 public agency (including any member municipality, public water
22 district, township, or county) for that purpose. Any such
23 contract made by an Agency for a supply of water may contain
24 provisions whereby the Agency is obligated to pay for the
25 supply of water without setoff or counterclaim and irrespective
26 of whether the supply of water is ever furnished, made

1 available or delivered to the Agency or whether any project for
2 the supply of water contemplated by any such contract is
3 completed, operable or operating and notwithstanding any
4 suspension, interruption, interference, reduction or
5 curtailment of the supply of water from such project. Any such
6 contract may provide that if one or more of the other
7 purchasers defaults in the payment of its obligations under
8 such contract or a similar contract made with the supplier of
9 the water one or more of the remaining purchasers party to such
10 contract or such similar contract shall be required to pay for
11 all or a portion of the obligations of the defaulting
12 purchasers. No such contract may have a term in excess of 50
13 years.

14 A Municipal Joint Action Water Agency shall have the power
15 to sell water and to enter into contracts with any person,
16 corporation or public agency (including any member
17 municipality, any public water district, any township, any
18 State university, or any county on behalf of a county service
19 area as set forth in this Section) for that purpose. No such
20 contract may have a term in excess of 50 years. Any such
21 contract entered into to sell water to a public agency may
22 provide that the payments to be made thereunder by such public
23 agency shall be made solely from revenues to be derived by such
24 public agency from the operation of its waterworks system or
25 its combined waterworks and sewerage system. Any public agency
26 so contracting to purchase water shall establish from time to

1 time such fees and charges for its water service or combined
2 water and sewer service as will produce revenues sufficient at
3 all times to pay its obligations to the Agency under the
4 purchase contract. Any such contract so providing shall not
5 constitute indebtedness of such public agency so contracting to
6 buy water within the meaning of any statutory or constitutional
7 limitation. Any such contract of a public agency to buy water
8 shall be a continuing, valid and binding obligation of such
9 public agency payable from such revenues.

10 A Municipal Joint Action Water Agency shall establish fees
11 and charges for the purchase of water from it or for the use of
12 its facilities. No prior appropriation shall be required by
13 either the Municipal Joint Action Water Agency or any public
14 agency before entering into any contract authorized by this
15 paragraph (d).

16 The changes in this Section made by this amendatory Act of
17 1984 are intended to be declarative of existing law.

18 (e) 1. A Municipal Joint Action Water Agency established
19 pursuant to this Section 3.1 may, from time to time, borrow
20 money and, in evidence of its obligation to repay the
21 borrowing, issue its negotiable water revenue bonds or notes
22 pursuant to this paragraph (e) for any of the following
23 purposes: for paying costs of constructing, acquiring,
24 improving or extending a joint waterworks or water supply
25 system; for paying other expenses incident to or incurred in
26 connection with such construction, acquisition, improvement or

1 extension; for repaying advances made to or by the Agency for
2 such purposes; for paying interest on the bonds or notes until
3 the estimated date of completion of any such construction,
4 acquisition, improvement or extension and for such period after
5 the estimated completion date as the Board of Directors of the
6 Agency shall determine; for paying financial, legal,
7 administrative and other expenses of the authorization,
8 issuance, sale or delivery of bonds or notes; for paying costs
9 of insuring payment of the bonds or notes; for providing or
10 increasing a debt service reserve fund with respect to any or
11 all of the Agency's bonds or notes; and for paying, refunding
12 or redeeming any of the Agency's bonds or notes before, after
13 or at their maturity, including paying redemption premiums or
14 interest accruing or to accrue on such bonds or notes being
15 paid or redeemed or for paying any other costs in connection
16 with any such payment or redemption.

17 2. Any bonds or notes issued pursuant to this paragraph (e)
18 by a Municipal Joint Action Water Agency shall be authorized by
19 a resolution of the Board of Directors of the Agency adopted by
20 the affirmative vote of Directors from a majority of the member
21 municipalities, public water districts, townships, State
22 universities, and counties, and any additional requirements as
23 may be set forth in the agreement establishing the Agency. The
24 authorizing resolution may be effective immediately upon its
25 adoption. The authorizing resolution shall describe in a
26 general way any project contemplated to be financed by the

1 bonds or notes, shall set forth the estimated cost of the
2 project and shall determine its period of usefulness. The
3 authorizing resolution shall determine the maturity or
4 maturities of the bonds or notes, the rate or rates at which
5 the bonds or notes are to bear interest and all the other terms
6 and details of the bonds or notes. All such bonds or notes
7 shall mature within the period of estimated usefulness of the
8 project with respect to which such bonds or notes are issued,
9 as determined by the Board of Directors, but in any event not
10 more than 50 years from their date of issue. The bonds and
11 notes may bear interest, payable at such times, at a rate or
12 rates not exceeding the maximum rate established in the Bond
13 Authorization Act, as from time to time in effect. Bonds or
14 notes of a Municipal Joint Action Water Agency shall be sold in
15 such manner as the Board of Directors of the Agency shall
16 determine, either at par or at a premium or discount, but such
17 that the effective interest cost (excluding any redemption
18 premium) to the Agency of the bonds or notes shall not exceed a
19 rate equal to the rate of interest specified in the Act
20 referred to in the preceding sentence.

21 The resolution authorizing the issuance of any bonds or
22 notes pursuant to this paragraph (e) shall constitute a
23 contract with the holders of the bonds and notes. The
24 resolution may contain such covenants and restrictions with
25 respect to the purchase or sale of water by the Agency and the
26 contracts for such purchases or sales, the operation of the

1 joint waterworks system or water supply system, the issuance of
2 additional bonds or notes by the Agency, the security for the
3 bonds and notes, and any other matters, as may be deemed
4 necessary or advisable by the Board of Directors to assure the
5 payment of the bonds or notes of the Agency.

6 3. The resolution authorizing the issuance of bonds or
7 notes by a Municipal Joint Action Water Agency shall pledge and
8 provide for the application of revenues derived from the
9 operation of the Agency's joint waterworks or water supply
10 system (including from contracts for the sale of water by the
11 Agency) and investment earnings thereon to the payment of the
12 cost of operation and maintenance of the system (including
13 costs of purchasing water), to provision of adequate
14 depreciation, reserve or replacement funds with respect to the
15 system or the bonds or notes, and to the payment of principal,
16 premium, if any, and interest on the bonds or notes of the
17 Agency (including amounts for the purchase of such bonds or
18 notes). The resolution shall provide that revenues of the
19 Municipal Joint Action Water Agency so derived from the
20 operation of the system, sufficient (together with other
21 receipts of the Agency which may be applied to such purposes)
22 to provide for such purposes, shall be set aside as collected
23 in a separate fund or funds and used for such purposes. The
24 resolution may provide that revenues not required for such
25 purposes may be used for any proper purpose of the Agency or
26 may be returned to member municipalities.

1 Any notes of a Municipal Joint Action Water Agency issued
2 in anticipation of the issuance of bonds by it may, in
3 addition, be secured by a pledge of proceeds of bonds to be
4 issued by the Agency, as specified in the resolution
5 authorizing the issuance of such notes.

6 4. (i) Except as provided in clauses (ii) and (iii) of this
7 subparagraph 4 of this paragraph (e), all bonds and notes of
8 the Municipal Joint Action Water Agency issued pursuant to this
9 paragraph (e) shall be revenue bonds or notes. Such revenue
10 bonds or notes shall have no claim for payment other than from
11 revenues of the Agency derived from the operation of its joint
12 waterworks or water supply system (including from contracts for
13 the sale of water by the Agency) and investment earnings
14 thereon, from bond or note proceeds and investment earnings
15 thereon, or from such other receipts of the Agency as the
16 agreement establishing the Agency may authorize to be pledged
17 to the payment of revenue bonds or notes, all as and to the
18 extent as provided in the resolution of the Board of Directors
19 authorizing the issuance of the revenue bonds or notes. Revenue
20 bonds or notes issued by a Municipal Joint Action Water Agency
21 pursuant to this paragraph (e) shall not constitute an
22 indebtedness of the Agency or of any member municipality,
23 public water district, township, or county within the meaning
24 of any constitutional or statutory limitation. It shall be
25 plainly stated on each revenue bond and note that it does not
26 constitute an indebtedness of the Municipal Joint Action Water

1 Agency or of any member municipality, public water district,
2 township, or county within the meaning of any constitutional or
3 statutory limitation.

4 (ii) If the Agreement so provides and subject to the
5 referendum provided for in clause (iii) of this subparagraph 4
6 of this paragraph (e), the Municipal Joint Action Water Agency
7 may borrow money for corporate purposes on the credit of the
8 Municipal Joint Action Water Agency, and issue general
9 obligation bonds therefor, in such amounts and form and on such
10 conditions as it shall prescribe, but shall not become indebted
11 in any manner or for any purpose in an amount including
12 existing indebtedness in the aggregate which exceeds 5.75% of
13 the aggregate value of the taxable property within the
14 boundaries of the participating municipalities, public water
15 districts, townships, and county service areas within a member
16 county determined by the governing body of the county by
17 resolution to be served by the Municipal Joint Action Water
18 Agency (including any territory added to the Agency after the
19 issuance of such general obligation bonds), collectively
20 defined as the "Service Area", as equalized and assessed by the
21 Department of Revenue and as most recently available at the
22 time of the issue of said bonds. Before or at the time of
23 incurring any such general obligation indebtedness, the
24 Municipal Joint Action Water Agency shall provide for the
25 collection of a direct annual tax, which shall be unlimited as
26 to rate or amount, sufficient to pay the interest on such debt

1 as it falls due and also to pay and discharge the principal
2 thereof at maturity, which shall be within 40 years after the
3 date of issue thereof. Such tax shall be levied upon and
4 collected from all of the taxable property within the
5 territorial boundaries of such Service Area at the time of the
6 referendum provided for in clause (iii) and shall be levied
7 upon and collected from all taxable property within the
8 boundaries of any territory subsequently added to the Service
9 Area. Dissolution of the Municipal Joint Action Water Agency
10 for any reason shall not relieve the taxable property within
11 such Service Area from liability for such tax. Liability for
12 such tax for property transferred to or released from such
13 Service Area shall be determined in the same manner as for
14 general obligation bonds of such county, if in an
15 unincorporated area, and of such municipality, if within the
16 boundaries thereof. The clerk or other officer of the Municipal
17 Joint Action Water Agency shall file a certified copy of the
18 resolution or ordinance by which such bonds are authorized to
19 be issued and such tax is levied with the County Clerk or
20 Clerks of the county or counties containing the Service Area,
21 and such filing shall constitute, without the doing of any
22 other act, full and complete authority for such County Clerk or
23 Clerks to extend such tax for collection upon all the taxable
24 property within the Service Area subject to such tax in each
25 and every year, as required, in amounts sufficient to pay the
26 principal of and interest on such bonds, as aforesaid, without

1 limit as to rate or amount. Such tax shall be in addition to
 2 and in excess of all other taxes authorized to be levied by the
 3 Municipal Joint Action Water Agency or by such county,
 4 municipality, township, or public water district. The issuance
 5 of such general obligation bonds shall be subject to the other
 6 provisions of this paragraph (e), except for the provisions of
 7 clause (i) of this subparagraph 4.

8 (iii) No issue of general obligation bonds of the Municipal
 9 Joint Action Water Agency (except bonds to refund an existing
 10 bonded indebtedness) shall be authorized unless the Municipal
 11 Joint Action Water Agency certifies the proposition of issuing
 12 such bonds to the proper election authorities, who shall submit
 13 the proposition to the voters in the Service Area at an
 14 election in accordance with the general election law, and the
 15 proposition has been approved by a majority of those voting on
 16 the proposition.

17 The proposition shall be substantially in the following
 18 form:

19 -----
 20 Shall general obligation
 21 bonds for the purpose of (state
 22 purpose), in the sum not to
 23 exceed \$....(insert amount), Yes
 24 be issued by the -----
 25 (insert corporate name of the No
 26 Municipal Joint Action Water

1 Agency)?

2 -----

3 5. As long as any bonds or notes of a Municipal Joint
4 Action Water Agency created pursuant to this Section 3.1 are
5 outstanding and unpaid, the Agency shall not terminate or
6 dissolve and, except as permitted by the resolution or
7 resolutions authorizing outstanding bonds or notes, no member
8 municipality, public water district, township, or county may
9 withdraw from the Agency. While any such bonds or notes are
10 outstanding, all contracts for the sale of water by the Agency
11 to member municipalities, public water districts, townships,
12 or counties shall be irrevocable except as permitted by the
13 resolution or resolutions authorizing such bonds or notes. The
14 Agency shall establish fees and charges for its operations
15 sufficient to provide adequate revenues to meet all of the
16 requirements under its various resolutions authorizing bonds
17 or notes.

18 6. A holder of any bond or note issued pursuant to this
19 paragraph (e) may, in any civil action, mandamus or other
20 proceeding, enforce and compel performance of all duties
21 required to be performed by the Agency or such counties, as
22 provided in the authorizing resolution, or by any of the public
23 agencies contracting with the Agency to purchase water,
24 including the imposition of fees and charges, the collection of
25 sufficient revenues and the proper application of revenues as
26 provided in this paragraph (e) and the levying, extension and

1 collection of such taxes.

2 7. In addition, the resolution authorizing any bonds or
3 notes issued pursuant to this paragraph (e) may provide for a
4 pledge, assignment, lien or security interest, for the benefit
5 of the holders of any or all bonds or notes of the Agency, (i)
6 on any or all revenues derived from the operation of the joint
7 waterworks or water supply system (including from contracts for
8 the sale of water) and investment earnings thereon or (ii) on
9 funds or accounts securing the payment of the bonds or notes as
10 provided in the authorizing resolution. In addition, such a
11 pledge, assignment, lien or security interest may be made with
12 respect to any receipts of the Agency which the agreement
13 establishing the Agency authorizes it to apply to payment of
14 bonds or notes. Any such pledge, assignment, lien or security
15 interest for the benefit of holders of bonds or notes shall be
16 valid and binding from the time the bonds or notes are issued,
17 without any physical delivery or further act, and shall be
18 valid and binding as against or prior to any claims of any
19 other party having any claims of any kind against the Agency
20 irrespective of whether such other parties have notice of such
21 pledge, assignment, lien or security interest.

22 A resolution of a Municipal Joint Water Agency authorizing
23 the issuance of bonds or notes pursuant to this paragraph (e)
24 may provide for the appointment of a corporate trustee with
25 respect to any or all of such bonds or notes (which trustee may
26 be any trust company or state or national bank having the power

1 of a trust company within Illinois). In that event, the
2 resolution shall prescribe the rights, duties and powers of the
3 trustee to be exercised for the benefit of the Agency and the
4 protection of the holders of such bonds or notes. The
5 resolution may provide for the trustee to hold in trust, invest
6 and use amounts in funds and accounts created as provided in
7 the resolution. The resolution authorizing the bonds or notes
8 may provide for the assignment and direct payment to the
9 trustee of amounts owed by public agencies to the Municipal
10 Joint Action Water Agency under water sales contracts for
11 application by the trustee to the purposes for which such
12 revenues are to be used as provided in this paragraph (e) and
13 as provided in the authorizing resolution. Upon receipt of
14 notice of such assignment, the public agency shall thereafter
15 make the assigned payments directly to such trustee.

16 Nothing in this Section authorizes a Joint Action Water
17 Agency to provide water service directly to residents within a
18 municipality or in territory within one mile or less of the
19 corporate limits of a municipality that operates a public water
20 supply unless the municipality has consented in writing to such
21 service being provided.

22 (Source: P.A. 94-1007, eff. 1-1-07.)

23 (5 ILCS 220/3.4) (from Ch. 127, par. 743.4)

24 Sec. 3.4. (a) Any 2 or more municipalities or counties, or
25 any combination thereof, may, by intergovernmental agreement,

1 establish a Municipal Joint Sewage Treatment Agency to provide
2 for the treatment, carrying off and disposal of swamp, stagnant
3 or overflow water, sewage, industrial wastes and other drainage
4 of member municipalities and counties. Any such Agency shall
5 itself be a municipal corporation and a public body politic and
6 corporate.

7 (b) The governing body of any Municipal Joint Sewage
8 Treatment Agency shall be a Board of Directors. The composition
9 and manner of appointment of the Board of Directors shall be
10 determined pursuant to the intergovernmental agreement.
11 However, for any Municipal Joint Sewage Treatment Agency
12 established after the effective date of this amendatory Act of
13 the 100th General Assembly, a Director sitting on the Board of
14 Directors shall not be required to be an elected official of a
15 member municipality or county, but may be an appointed official
16 of a member municipality or county. The Board of Directors
17 shall determine the general policy of the Agency, shall approve
18 the annual budget, shall make all appropriations, shall approve
19 all contracts, shall adopt all resolutions providing for the
20 issuance of bonds or notes by the Agency, shall adopt its
21 bylaws, rules and regulations, and shall have such other powers
22 and duties as may be prescribed in the intergovernmental
23 agreement.

24 (c) A Municipal Joint Sewage Treatment Agency may plan,
25 construct, reconstruct, acquire, own, lease as lessor or
26 lessee, equip, extend, improve, operate, maintain, repair and

1 finance drainage and sewage treatment projects, and may enter
2 into agreements or contracts for the provision of drainage or
3 sewage treatment services for member municipalities or
4 counties.

5 (d) A Municipal Joint Sewage Treatment Agency shall have
6 such powers as shall be provided in the agreement establishing
7 it, which may include, but need not be limited to, the
8 following powers:

9 (1) to sue or be sued;

10 (2) to apply for and accept gifts, grants or loans of
11 funds or property, or financial or other aid, from any
12 public agency or private entity;

13 (3) to acquire, hold, sell, lease as lessor or lessee,
14 transfer or dispose of such real or personal property, or
15 interests therein, as it deems appropriate in the exercise
16 of its powers, and to provide for the use thereof by any
17 member municipality or county;

18 (4) to make and execute all contracts and other
19 instruments necessary or convenient to the exercise of its
20 power; and

21 (5) to make and execute any contract with the federal
22 government, a state, or a unit of local government,
23 relating to drainage and the treatment of sewage.

24 (e) A Municipal Joint Sewage Treatment Agency may, from
25 time to time, borrow money, and, in evidence of its obligation
26 to repay the borrowing, issue its negotiable revenue bonds or

1 notes for any of the following purposes: for paying costs of
2 planning, constructing, reconstructing, acquiring, leasing,
3 equipping, improving or extending a drainage and sewage
4 treatment project; for paying other expenses incident to or
5 incurred in connection with such project; for repaying advances
6 made to or by the Agency for such purposes; for paying interest
7 on the bonds or notes until the estimated date of completion of
8 any such project and for such period after the estimated
9 completion date as the Board of Directors of the Agency shall
10 determine; for paying financial, legal, administrative and
11 other expenses of the authorization, issuance, sale or delivery
12 of bonds or notes; for providing or increasing a debt service
13 reserve fund with respect to any or all of the Agency's bonds
14 or notes; and for paying, refunding or redeeming any of the
15 Agency's bonds or notes before, after or at their maturity,
16 including paying redemption premiums or interest accruing or to
17 accrue on such bonds or notes being paid or redeemed or for
18 paying any other costs in connection with any such payment or
19 redemption.

20 The resolution authorizing the issuance of the bonds or
21 notes shall pledge and provide for the application of revenues
22 derived from the operation of the project to payment of the
23 cost of operation and maintenance of the project, to provision
24 for adequate depreciation, reserve or replacement funds with
25 respect to the project, the bonds or notes, and to the payment
26 of principal, premium, if any, and interest on the bonds or

1 notes of the Agency. All bonds or notes of the Agency shall be
2 revenue bonds or notes and shall have no claim for payment
3 other than from revenues of the Agency derived from operation
4 of the drainage and sewage treatment project. Bonds or notes
5 issued by the Agency shall not constitute an indebtedness of
6 any member municipality or county.

7 (Source: P.A. 83-1423.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.