



CITY OF CRYSTAL LAKE
AGENDA

CITY COUNCIL
REGULAR MEETING

City of Crystal Lake
100 West Woodstock Street, Crystal Lake, IL
City Council Chambers
January 19, 2016
7:30 p.m.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Approval of Minutes – January 5, 2016 Regular City Council Meeting**
5. **Accounts Payable**
6. **Public Presentation**
The public is invited to make an issue oriented comment on any matter of public concern not otherwise on the agenda. The public comment may be no longer than 5 minutes in duration. Interrogation of the city staff, Mayor or City Council will not be allowed at this time, nor will any comment from the Council. Personal invectives against city staff or elected officials are not permitted.
7. **Mayor's Report**
8. **City Council Reports**
9. **Consent Agenda**
10. **8900 Route 14, McHenry County College-Final PUD Amendment to adopt a Master Sign Plan.**
11. **Acquisition of a temporary construction easement from the Crystal Lake Park District for the construction of the Country Club Multi-Use Path.**
12. **Acquisition of Right-Of-Way for the Country Club Multi-Use Path.**
13. **Appropriation of MFT funds for the Country Club Multi-Use Path.**
14. **Referral of a text amendment for various provisions of the Unified Development Ordinance to the Planning & Zoning Commission.**
15. **Resolution authorizing the execution of an agreement with Clarke Environmental Mosquito Management, Inc. for Mosquito Abatement Services.**

- 16. Authorize the execution of a purchase agreement with Midwest Salt for Clear Southern Rock Softening Salt.**
- 17. Authorize the execution of a service agreement with Tecorp Inc. for Poplar Street Water Tower Painting and Maintenance.**
- 18. Approval of a franchise agreement with Nicor Gas Company.**
- 19. Council Inquiries and Requests.**
- 20. Adjourn to Executive Session for the purpose of discussing matters of pending and probable litigation, the sale, purchase or lease of real property, collective bargaining, and personnel.**
- 21. Reconvene to Regular Session.**
- 22. Planning & Zoning Commission Reappointments**
- 23. Adjourn.**

If special assistance is needed in order to participate in a City of Crystal Lake public meeting, please contact Brad Mitchell, Assistant to the City Manager, at 815-459-2020, at least 24 hours prior to the meeting, if possible, to make arrangements.



Agenda Item No: 10

**City Council
Agenda Supplement**

Meeting Date: January 19, 2016

Item: REPORT OF THE PLANNING & ZONING COMMISSION

Request: Final PUD Amendment to adopt a Master Sign Plan

Petitioner: McHenry County Community College
Christina Haggerty, petitioner
8900 Route 14

PZC Recommendation: To approve the PZC recommendations and adopt an ordinance granting the Final PUD Amendment for a Master Sign Plan for McHenry County Community College at 8900 Route 14.

Staff Contact: Michelle Rentzsch, Community Development Director

Background:

- MCC provides educational services to 11,000 students and 30,000 members of the general public, particularly for workforce training. Navigation for students utilizing the MCC campus is one of their most requested improvements.
- The Master Sign Plan would allow MCC to enhance the overall visibility of the College for current students, prospective students, family members and attendees of community events, classes and conferences.
- With the widening of Route 14 and the speed of traffic along this roadway, larger signs are needed to meet the minimum size to be readable.
- The UDO does not specifically address signage standards for unique properties like college campuses and hospitals, so the best way to handle signage is through the PUD process. The PUD process allows them to create a master plan and have a variety of sign types.

PZC Highlights:

- The PZC discussed the overall signage plan and thought it made sense to provide additional directional signs for the campus. They requested that the three existing signs be added to the Sign Master Plan, which has been completed and included in the packet.
- The PZC reviewed the Findings of Fact and found that this petition meets the criteria.

The PZC recommended **approval (5-0)** of the petitioner's request with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
 - A. Application (MCC, received 12/14/15)
 - B. Narrative (HR Green, received 12/14/15)
 - C. Master Sign Plan (HR Green, received 1/7/16)
2. The EMC portion of the sign shall not appear to move, flash, scroll, or use other animation. The message must change instantly and at a maximum of every 5 minutes.
3. Work with staff to create landscape areas around the proposed free-standing monument signs.
4. The petitioner shall address all of the review comments and requirements of the Community Development, Fire Rescue, Police, and Public Works Departments.
5. **Sign #1 shall be constructed with the masonry base as shown.** (Added by PZC)
6. **Show all other existing signs on the plan, and the three (3) existing directional signs that are to remain, are included in this approval.** (Added by PZC)

Votes Required to Pass: A simple majority vote.

DRAFT

ORDINANCE NO. _____
FILE NO. _____

AN ORDINANCE GRANTING AN AMENDMENT
TO THE FINAL PLANNED UNIT DEVELOPMENT
FOR McHENRY COUNTY COLLEGE

WHEREAS, pursuant to the terms of the Petition (File #2015-65) before the Crystal Lake Planning and Zoning Commission, the Petitioner has requested an Amendment to the Final Planned Unit Development to adopt a Master Sign plan for McHenry County College; and

WHEREAS, the Planning and Zoning Commission of the City of Crystal Lake, pursuant to notice duly published on December 20, 2015 in the *Northwest Herald*, held a public hearing at 7:30 p.m., on January 6, 2016 at City Hall at 100 W. Woodstock Street, Crystal Lake, Illinois to consider the proposed Amendment to the Final Planned Unit Development; and

WHEREAS, on January 6, 2016, the Planning and Zoning Commission, having fully heard and considered the testimony of all those present at the public hearing who wished to testify, made findings of fact as required by law and recommended to the Mayor and City Council of the City of Crystal Lake that the proposed Amendment to the Final Planned Unit Development be approved, all as more specifically set forth in that certain Report of the Planning and Zoning Commission in Case #2015-65, dated as of January 7, 2016; and

WHEREAS, it is in the best interests of the City of Crystal Lake that the Amendment to the Final Planned Unit Development be granted as requested in said Petition,

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE, McHENRY COUNTY, ILLINOIS, as follows:

SECTION I: That a Final PUD Amendment be granted to adopt a Master Sign Plan for McHenry County College for the property located at 8900 Route 14 (13-25-300-021), Crystal Lake, Illinois.

SECTION II: That the Final PUD Amendment be granted with the following conditions:

1. Approved plans, reflecting staff and advisory board recommendations, as approved by the City Council:
 - A. Application (MCC, received 12/14/15)
 - B. Narrative (HR Green, received 12/14/15)
 - C. Master Sign Plan (HR Green, received 12/14/15)

2. The EMC portion of the sign shall not appear to move, flash, scroll, or use other animation. The message must change instantly and at a maximum of every 5 minutes.

3. Work with staff to create landscape areas around the proposed free-standing monument signs.
4. The petitioner shall address all of the review comments and requirements of the Community Development, Fire Rescue, Police, and Public Works Departments.
5. Sign #1 shall be constructed with a masonry base as shown.
6. Show all other existing signs on the plan, and the three (3) existing directional signs that are to remain, are included in this approval.

SECTION III: That the City Clerk be and is hereby directed to amend all pertinent records of the City of Crystal Lake to show the granting of the Final PUD Amendment in accordance with the provisions of this Ordinance, as provided by law.

SECTION IV: That this Ordinance shall be in full force and effect from and after its passage, approval and publication as provide by law.

DATED at Crystal Lake, Illinois, this _____ day of _____, _____.

MAYOR

ATTEST:

CITY CLERK



Agenda Item No: 11

**City Council
Agenda Supplement**

Meeting Date:

January 19, 2016

Item:

Acquisition of a temporary construction easement from the Crystal Lake Park District for the construction of the Country Club Multi-Use Path

Staff Recommendation:

Motion to adopt a resolution approving the donation of a temporary construction easement from the Crystal Lake Park District for the construction of the Country Club Multi-Use Path.

Staff Contact:

Abigail Wilgreen, City Engineer

Background:

Starting in 2009, the City began exploring how to improve safety for students walking and biking to school in order to take advantage of the federal Safe Routes to School (SRTS) funding program. The SRTS program is a competitive grant that awards funds to projects that promote and improve conditions for students walking or biking to elementary schools.

The City collaborated with District 47 and enlisted the help of representatives of parent organizations and advocacy groups to identify areas of concern and develop solutions that would improve walking and biking conditions, and to prepare an application for SRTS funding. This group considered many projects before deciding that adding a multi-use path on the south side of Country Club was the best candidate project.

A multi-use path in this location will connect the neighborhoods in the southwest side of town with South Elementary School, Lundahl Middle School, the Dole Mansion/Lakeside, and Main Beach. This path will greatly increase the safety of kids walking to South Elementary by providing a safe alternative to walking on Country Club Road. There are currently no sidewalks or paths on Country Club Road or any of the streets in this corridor.

On December 7, 2010, the City Council was presented with information on the SRTS program and Country Club Multi-use path improvement. The City Council passed a resolution supporting the project and the application for SRTS funding. The City applied for the funds, and on February 2, 2012, the City was awarded \$250,000 in SRTS funds for the improvement. This was the maximum award under the SRTS program. Since that time, the City has been working to design and acquire the needed right-of-way and easements for the improvement.

To construct the improvement, the City needs to acquire a temporary construction easement from the Crystal Lake Park District. The Park District owns property that is adjacent to the project, and the City needs the easement for grading and other construction purposes. The Park District Board of Commissioners approved the grant of easement on May 21, 2015. The Park District is donating the easement. The City's special counsel reviewed the documents and finds them in an acceptable format.

Votes Required to Pass:

A simple majority of City Council present.



DRAFT

The City of Crystal Lake Illinois

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the donation of a temporary construction easement by the Crystal Lake Park District for the construction of the Country Club Multi-Use Path be accepted.

BE IT FURTHER RESOLVED that the City Manager be authorized and directed to execute all agreements and documents pertaining to the donation.

DATED this 19th day of January, 2016.

CITY OF CRYSTAL LAKE, an Illinois
Municipal Corporation

BY: _____
MAYOR

SEAL

ATTEST:

CITY CLERK

PASSED: January 19, 2016

APPROVED: January 19, 2016



Agenda Item No: 12

**City Council
Agenda Supplement**

Meeting Date: January 19, 2016

Item: Acquisition of right-of-way for the Country Club Multi-Use Path

Staff Recommendation: Motion to adopt a resolution approving the negotiated sum, authorizing the execution of any agreement or documents, and authorizing payment to a property owner for right-of-way needed for the Country Club Multi-Use Path.

Staff Contact: Abigail Wilgreen, City Engineer

Background:

Starting in 2009, the City began exploring how to improve safety for students walking and biking to school in order to take advantage of the federal Safe Routes to School (SRTS) funding program. The SRTS program is a competitive grant that awards funds to projects that promote and improve conditions for students walking or biking to elementary schools.

The City collaborated with District 47 and enlisted the help of representatives of parent organizations and advocacy groups to identify areas of concern and develop solutions that would improve walking and biking conditions, and to prepare an application for SRTS funding. This group considered many projects before deciding that adding a multi-use path on the south side of Country Club was the best candidate project.

A multi-use path in this location will connect the neighborhoods in the southwest side of town with South Elementary School, Lundahl Middle School, the Dole Mansion/Lakeside, and Main Beach. This path will greatly increase the safety of kids walking to South Elementary by providing a safe alternative to walking on Country Club Road. There are currently no sidewalks or paths on Country Club Road or any of the streets in this corridor.

On December 7, 2010, the City Council was presented with information on the SRTS program and Country Club Multi-use path improvement. The City Council passed a resolution supporting the project and the application for SRTS funding. The City applied for the funds, and on February 2, 2012, the City was awarded \$250,000 in SRTS funds for the improvement. This was the maximum award under the SRTS program. Since that time, the City has been working to design and acquire the needed right-of-way and easements for the improvement.

In order to complete the project, the City needs to acquire right-of-way from 721 Country Club Road using the Federal Process. An appraisal was completed for this property using an approved negotiator to negotiate a price for the needed right-of-way with the property owner.

<i>Property Address</i>	<i>PIN</i>	<i>Appraisal Amount</i>	<i>Settlement Amount</i>	<i>Area Acquired (Acres)</i>	<i>Deeded To</i>
721 Country Club Rd.	19-06-380-001	\$23,000	\$23,000	0.519	City

City Council and staff reviewed the appraisal amount in April of 2015 and deemed it acceptable. The City Attorney has also reviewed the information and deemed it acceptable.

The City has budgeted for this acquisition, and has sufficient reserves in its MFT fund for the acquisition.

Votes Required to Pass:

Simple majority of City Council present.



DRAFT

The City of Crystal Lake Illinois

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the negotiated sum for right-of-way needed for the Country Club Multi-Use Path Improvement for the following properties are hereby acceptable, that the City Manager be authorized to execute any agreements or documents related to acquiring the right-of-way, and that City staff be authorized to remit payment for right-of-way:

- 721 Country Club Road (PIN 19-06-380-001): \$23,000

DATED this 19th day of January, 2016.

CITY OF CRYSTAL LAKE, an Illinois
Municipal Corporation

BY: _____
MAYOR

SEAL

ATTEST:

CITY CLERK

PASSED: January 19, 2016

APPROVED: January 19, 2016



Agenda Item No: 14

City Council Agenda Supplement

Meeting Date:	January 19, 2016
Item:	Referral of a text amendment for various provisions of the Unified Development Ordinance to the Planning & Zoning Commission.
PZC Recommendation:	Motion to refer the text amendments to the Unified Development Ordinance to the Planning and Zoning Commission for review and recommendations.
Staff Contact:	Michelle Rentzsch, Director of Community Development

Background:

- When the City Council adopted the Unified Development Ordinance (UDO) in 2009, it was intended to be a dynamic document that would be updated periodically.
- The proposed text amendments would address issues observed by staff, based on their day-to-day application of the UDO, and would simplify the requirements and procedures for businesses and residents.

Proposed provisions of the UDO to be amended

ARTICLE/SECTION	PROVISION TO BE AMENDED
9-100A	Creating an administrative approval process for addressing zoning variations that are created by right-of-way takings.
9-100C	Reducing the number of Planning & Zoning Commissioners from 9 to 7 members, to assist with the Commission's ability to meet quorum.
4-1000	Updates to the signage provisions to address the Supreme Court ruling of Reed vs. Town of Gilbert, regarding content-based regulations for ideological signs, political signs, and temporary directional signs.
4-1000C	Creating sight-line standards for freestanding signs.
A-1300	Clarifying the current requirements for freestanding signs in the downtown area by adding an illustration.

ARTICLE/SECTION	PROVISION TO BE AMENDED
4-1000L	Clarifying internally-illuminated awning sign requirements and properly re-locating them within Article 4.
4-1000	Adding a reference to EMCs in Article 4, under the signage regulations for EMCs, and repeating the criteria for EMCs currently located in Article 2.
4-800D	Rewriting the requirements for measuring light intensity for exterior lighting and lighting on signs.
A-400 (C)3	Clarifying language for driveway separations and circular-drives.
4-100D-H(h)(i)(iii)	Eliminating ribbon curb as an acceptable curbing standard.
4-100D-1	Clarifying posted speed and design speed requirements for sight line calculations.
4-100	Creating sight line standards for driveways in residential districts.
4-600 C and D	Clarifying conflicting accessory structure commentary sections within the Ordinance that were provided in two different amendments.
4-600D	Clarifying the applications of the 600 and 900 square-foot rules for accessory structures, and separation requirements between structures.
3-300	Removing un-enforceable dish antenna restrictions regarding the sizes and locations for the antennas.
4-900 (E)(1)(a)	Clarifying the applicability of commercial design standards.
4-600 (E)(B)	Clarifying the applicability of certain limited use standards in residential zoning districts.
2-400C-68	Creating limited use standards for electronic vehicle charging stations.
2-400C-69	Creating use criteria for above ground fuel storage tanks.
2-400C-70	Creating standards to allow cottage industries to bake/make certain food items for farmers markets from home kitchens, consistent with the Cupcake Act.
2-400C-8	Clarifying permitted outside storage items in residential zoning districts.
2-400C-71	Codifying provisions allowing showrooms and cash-and-carry limitations in the "M" zoning district.
2-400C-72	Increasing the minimum square footage requirements for structures in parks from 100 SF and relocating the requirements from the definitions to the use criteria section, making these structures limited uses.
3-300B-3	Clarifying the applicability of varying setback requirements in residential districts.
4-700C-2	Clarifying refuse container fencing requirements to allow wood fencing in areas that aren't generally visible from the right-of-way.
4-700B	Creating provisions and a pattern-book in the appendix of the UDO for double-frontage lots in specific areas allowing 6-foot tall fences in the rear yard.

ARTICLE/SECTION	PROVISION TO BE AMENDED
4-700B-3	Clarifying how fence height is measured.
4-900E-1a	Creating architectural design guidelines for industrial uses, including storage facilities.
4-200	Amending parking requirements and the methods by which parking requirements are calculated.
5-2003c	Clarifying requirements for letters of credit and other sureties for public improvements to allow adjustments for inflation over time, requiring full-improvements to be provided at the time the sureties are drawn upon.
9-200M	Relocating development related fees to the City Code where all other fees are located.
4-700C-2	Replacing various engineering and building department references to the City Engineer, Community Development Director, or Building Commissioner.
9-200E	Clarifying the hearing and meeting requirements for Planned Unit Developments, eliminating the public meeting requirement for Preliminary PUDs, requiring only a public hearing.
A-1400 and A-1500	Updating the formula for calculating Impact Fees to reflect recent case law.
2-500	Streamlining Temporary Use Permit requests, adding provisions for uses such as gun shows.
10-200A	Defining a variety of zoning categories and terms that are listed within the UDO but that are not defined otherwise.

Votes Required to Pass:

A simple majority vote.



Agenda Item No: 15

**City Council
Agenda Supplement**

<u>Meeting Date:</u>	January 19, 2016
<u>Item:</u>	Mosquito Abatement Contract
<u>Staff Recommendation:</u>	Motion to adopt a resolution authorizing the City Manager to execute a five-year agreement with Clarke Environmental Mosquito Management, Inc. for Mosquito Abatement Services.
<u>Staff Contact:</u>	Victor Ramirez, P.E., Director of Public Works

Background:

At the May 7, 2013, City Council meeting, the City Council authorized the execution of a three-year agreement with Clarke Environmental Mosquito Management, Inc. for mosquito abatement services. Attached is a proposal from Clarke Environmental Mosquito Management, Inc. extending the terms of the current agreement for a period of five years. Clarke will maintain the 2013 pricing (\$82,082.28) through 2020, the fifth year of the agreement.

Mosquito Abatement Program:

At the March 6, 2001, regular City Council meeting, the Council accepted the recommendations of the Ad Hoc Mosquito Abatement Adulticiding Review Committee. The recommendations focused on monitoring potential breeding sites and pre-hatch larvacide treatment applications at these sites to eliminate as many mosquitoes as possible before they develop into adults, therefore, minimizing the need for adulticide application. Briefly, the program provides for:

Surveillance and monitoring:

- Two (2) virus isolation traps are set to collect for *Culex* mosquitoes. These mosquitoes are collected and pooled and sent to an independent laboratory for virus isolation. In the United States, West Nile virus is transmitted primarily by members of the *Culex* species of mosquito.
- Operation of six (6) light traps within the City of Crystal Lake determine density and distribution of mosquito populations. The City is divided into six (6) zones which allows adulticiding, based upon trap readings in each individual zone.

Larval Control:

- Larval Site Monitoring: 13 inspections, which include four (4) complete inspections of 217 sites; six (6) targeted inspections of up to 94 sites; one (1) woodland pool inspection of 27 sites; two (2) *Culex* targeted inspections of up to 86 sites; and inspection of sites called in by residents on the Mosquito Hotline.
- Larviciding by ground (hand and backpack) or air (helicopter) of sites found developing larvae during larval site monitoring using *VectoBac*® or *VectoLex*® for biorational control.
- Three (3) aerial pre-hatch applications with *VectoLex*® of 155 acres of historical breeding areas.
- Three (3) treatments of 3,200 catch basins with *VectoLex*® or 30-day sustainable biorational insecticide.
- One (1) treatment of up to 31 backyard catch basins called in by residents in two prior years using an extended residual slow release insecticide for control of up to 150 days.

Adult Mosquito Management:

- Based on the recommendations of the Ad Hoc Mosquito Abatement Adulticiding Review Committee, targeted adulticiding would only occur if the larviciding measures were not effective. Targeted adulticiding would occur only after a count of 150 female mosquitoes in light traps on two consecutive measurements.
- Once these targeted amounts are received from Clarke, staff will inform the Council that the threshold has been met. If four or more Council members object to the adulticiding, then it will not proceed.
- Scheduled treatments using a synthetic pyrethroid insecticide for City fireworks and lakeside festivals.
- As in the past, whenever adulticiding will occur, City staff will issue a press release to the local media in an effort to communicate to residents upcoming efforts. In addition, the City's web site will offer information to residents about the status of the mosquito abatement efforts.
- Previously if a resident made a request, spraying near specific homes was avoided if the resident called Clarke in advance of the application. After evaluation by staff and a discussion with Clarke, this practice will no longer occur. According to Clarke, when the spraying occurs, it can float up to 600 feet. As a result, if a resident's neighbor receives the spray, their home will also be impacted by the application. Residents who are currently on the "no-spray" list will receive a letter from the City indicating this change.

The City's pro-active program of larval control, surveillance and adult control has significantly reduced the risk of being bitten by mosquitoes. This pro-active approach has especially been significant in face of the threat posed by the West Nile virus. In Illinois, West Nile virus was first identified in September 2001 when laboratory tests confirmed its presence in two dead crows found in the Chicago metropolitan area. In 2002, birds, mosquitoes and horses in 100 of the State's 102 counties were reported positive for West Nile virus, and the first human cases and deaths from West Nile virus illness in Illinois were reported in August 2002. By the end of the year, more than 800 human cases and 63 deaths were reported.

The City's mosquito abatement program focuses on decreasing the risk of the transmittal of West Nile virus, as well as decreasing the annoyance levels. The virus isolation traps and the treatments to the 3,200 catch basins are primarily focused on the *Culex pipiens* mosquito. This

mosquito, which is referred to as the “house mosquito” because it commonly develops in small containers around the home, is the primary transmitter of the West Nile virus in the United States. The remainder of the program focuses on other annoyance mosquitoes.

Votes Required to Pass:

Simple majority



DRAFT

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager be and he is hereby authorized and directed to execute, and the City Clerk is hereby directed to attest, the contract between the City of Crystal Lake and Clarke Environmental Mosquito Management, Inc. for Mosquito Abatement Services for a five-year term.

DATED this 19th day of January 2016.

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By: _____
MAYOR

SEAL
ATTEST

CITY CLERK

PASSED: January 19, 2016

APPROVED: January 19, 2016



Agenda Item No: 16

**City Council
Agenda Supplement**

Meeting Date:

January 19, 2016

Item:

Clear Southern Rock Salt Bid

Staff Recommendation:

1. Reject bid from the December 1, 2015, bid opening for Clear Southern Rock Salt; and
2. Award the bid for the purchase and delivery of clear southern rock softening salt to the lowest responsive, responsible bidder, Midwest Salt, and to adopt a resolution authorizing the City Manager to execute a one-year purchase agreement with Midwest Salt for clear southern rock salt in the amount bid.

Staff Contact:

Victor Ramirez P.E., Director of Public Works

Background:

On December 1, 2015, the City received one bid from Cargill, Inc. for \$112.12 per ton for the purchase and delivery of clear southern rock salt. Despite being publicly posted and sent directly to the three commercial salt suppliers who have regularly bid the City's Clear Southern Rock Salt, the City only received one bid at the opening. The City was informed by non-bidding salt suppliers that the salt companies had multiple bids out at this time and they may not have been able to supply Crystal Lake with this product if they were awarded the other contracts. Salt suppliers said they would be able to bid later in December, so the City re-bid this product.

On December 29, 2015 the City of Crystal Lake publicly opened and read aloud the bids received for a one-year contract for the purchase and delivery of clear southern rock salt. Clear southern rock salt is used daily by the Public Works Department for the City's water softening processes at all of the water treatment plants. The City expects to use approximately 3,500 tons of rock salt during the term of this contract.

The following is a breakdown of the bids received:

Bidder	Clear Southern Rock Salt
√ Midwest Salt West Chicago, IL	\$110.75 per ton
Cargill Inc. St. Clair, MI	\$111.12 per ton
Morton Salt Chicago, IL	\$130.59 per ton

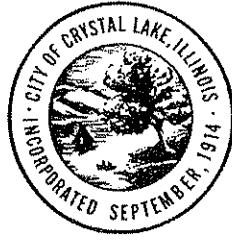
√ Indicates recommended lowest responsive and responsible bidder

Recommendation:

The Public Works Department has reviewed the bid received for completeness and accuracy, and has contacted references provided by Midwest Salt which said they are a very responsive supplier. Therefore, it is staff's recommendation to award the contract for clear southern rock salt to the lowest responsive and responsible bidder, Midwest Salt, and to authorize the City Manager to execute a purchase agreement with Midwest Salt for the purchase and delivery of clear southern rock salt.

Votes Required to Pass:

Simple Majority



DRAFT

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager is authorized to execute a one-year Purchase Agreement between the CITY OF CRYSTAL LAKE and Midwest Salt for the provision of Clear Southern Rock Salt in the amount bid.

DATED this 19th day of January, 2016

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By: _____
MAYOR

SEAL

ATTEST

CITY CLERK

PASSED: January 19, 2016
APPROVED: January 19, 2016



Agenda Item No: 17

**City Council
Agenda Supplement**

- Meeting Date:** January 19, 2016
- Item:** Painting & Maintenance of Poplar Street Water Tower
- Staff Recommendation:**
1. Reject all bids from the April 16, 2015, bid opening for Poplar Street Water Tower Painting & Maintenance; and
 2. Award the bid for Poplar Street Water Tower Painting & Maintenance to the lowest responsive and responsible bidder, Tecorp Inc., and adopt a resolution authorizing the City Manager to execute a service agreement with Tecorp Inc. in the submitted bid amount with a 10% contingency.
- Staff Contact:** Victor Ramirez, P.E., Director of Public Works
-

Background:

The City of Crystal Lake's water system includes four (4) elevated water storage tanks and four (4) ground water storage tanks. Seven of these water tanks are constructed of steel and one of concrete. Six of the seven steel water tanks have been recently rehabilitated and repainted. The last steel tank that has not been reconditioned is our Poplar Street Water Tower which is now due for rehabilitation due to its current age and condition.

The Poplar Street Water Tower is located at 365 Poplar Street and it is a 200,000 gallon steel pedestal water tower. This tank has not been repainted for nearly 30 years. The existing paint is failing and the steel is rusting.

In 2014, Dixon Engineering performed an inspection to evaluate the condition of the Poplar Street Water Tower. The evaluation recommended that the water tower receive numerous repairs/improvements in addition to being sandblasted and painted.

In 2015, the City hired Dixon Engineering to create bid specifications for the required repairs and maintenance to the water tower, including sandblasting and painting of the water tower in accordance with the recommendations in the inspection report. However, because the condition of the steel cannot be fully inspected until the existing paint is removed; there is a possibility that additional repair work may be necessary. Dixon's field engineer will inspect the tank and recommend any required additional work, after sandblasting has been completed.

Discussion:

On April 16, 2015, the City received bids from five contractors to repair and paint the Poplar Street Water Tower. The lowest total bid price received at that date was \$544,500.00. Due to the high bid costs, the City decided to rebid this project for a 2016 completion date.

On December 2, 2015, the City received bids from seven contractors to repair and paint the Poplar Street Water Tower. The lowest total bid price received was \$498,600.00, which is \$45,900.00 less than the low bid received in April. The following is a breakdown of the total prices for the bids received to perform the maintenance and repair work, as well as the sandblasting and painting of the Poplar Street Water Tower:

Company	Total Bid
√ Tecorp, Inc. Joliet, IL	\$ 498,600.00
Era Valdivia Contractors, Inc. Chicago, IL	\$ 549,545.00
Seven Brothers Shelby Twnshp., MI	\$ 556,500.00
Maxcor, Inc New Lenox, IL	\$ 587,900.00
L.C. United Painting Sterling Heights, MI	\$ 589,000.00
Horizon Brothers Painting Howell, MI	\$ 648,100.00
Classic Protective Coatings Menomonie, WI	\$ 652,705.00

√ Indicates the lowest responsive and responsible bidder.

It should be noted that aside from the actual painting of the water tower, there are several other maintenance items and improvements required that are included within the total cost of \$498,600.00. These items total \$106,800.00.

Recommendation:

Tecorp, Inc. submitted the lowest pricing of the seven companies. City staff and Dixon Engineering have reviewed the bids submitted. Dixon Engineering submitted a written recommendation to the City to use Tecorp Inc. for this project. Tecorp is a prequalified contractor with Dixon for this scope of work, and has successfully completed many similar projects.

It is the recommendation of staff to award the contract for the painting and maintenance of the Poplar Street Water Tower to the lowest responsive and responsible bidder, Tecorp, Inc., in the amount of \$498,600.00, with a 10% contingency for justifiable additions. There are adequate funds available for this improvement.

Votes Required to Pass:

Simple majority



DRAFT

RESOLUTION

BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CRYSTAL LAKE that the City Manager is authorized to execute a service contract between the CITY OF CRYSTAL LAKE and Tecorp, Inc. for the painting and maintenance of the Poplar Street Water Tower in the amount bid, with a 10% contingency.

DATED this 19th day of January, 2016

CITY OF CRYSTAL LAKE, an
Illinois municipal corporation,

By: _____
MAYOR

SEAL

ATTEST

CITY CLERK

PASSED: January 19, 2016

APPROVED: January 19, 2016



Agenda Item No: 18

**City Council
Agenda Supplement**

Meeting Date:

January 19, 2016

Item:

Nicor Franchise Ordinance

Recommendation:

Motion to adopt an Ordinance authorizing and granting a Franchise to Northern Illinois Gas Company (d/b/a Nicor Gas Company) its successors and assigns to construct, operate and maintain a natural gas distribution system in, and through, the City of Crystal Lake and amending Chapter A700, Article II of the Crystal Lake City Code.

Staff Contact:

Eric T. Helm, Deputy City Manager

Background:

The City's existing ordinance authorizing a franchise to the Northern Illinois Gas Company (d/b/a Nicor Gas Company) was adopted in 1958 and expired in 2007. Since 2007, the City has been operating under the conditions of the ordinance adopted in 1958. This includes the conditions that Nicor provide the City free terms for municipal facilities in consideration of Nicor's use of the City's right-of-way. The purpose of a franchise agreement with a public utility is to maintain a contract between the City and the utility that outlines certain requirements for the utility's use of the City's public right-of-way.

In order to negotiate new franchise terms with Nicor, the City Council adopted a resolution authorizing the City to join the Northern Illinois Municipal Gas Franchise Consortium in 2009. Since many other Illinois municipalities have expiring franchise agreements with Nicor, it was the purpose of this consortium to co-negotiate a franchise ordinance/agreement with Nicor. The consortium of 67 communities engaged a single attorney in order to have greater negotiating leverage. Over the last six years, the consortium has been negotiating with Nicor and in late-2015, came to an agreement with Nicor. The consortium has requested that each member adopt the negotiated franchise ordinance in early 2016. Following the City's approval of the ordinance, Nicor will sign a consent agreement.

A memorandum from Holland and Knight, the attorney that negotiated the agreement on behalf of the consortium, along with the draft ordinance has been attached.

The attached draft ordinance has numerous financial and non-financial benefits for the City, including:

- **Stability**: The term of the agreement is 25 years. This will ensure the existence of favorable language for an extended period of time.
- **Nicor to Abide by City's existing Right-Of-Way Ordinance**: Under the franchise agreement, Nicor must still comply with City Code Chapter 427, Use of Right-Of-Ways, regarding the construction standards and permits necessary for work in the City's right-of-way.
- **Enhanced Compensation for Nicor's Use of the City's Right-of-Way**: Nicor provides each municipality with two options to compensate it for the use of the right-of-way. The City can receive free therms based on population size or it can receive an annual cash payment.

Under the existing, expired franchise agreement, the City receives free therms as compensation from Nicor for right-of-way usage. If the City continued this practice, under the consortium negotiated agreement, it would receive a 20% increase in the number of free therms provided. The City currently receives 71,000 free therms from Nicor. The new franchise will provide the City 84,892 free therms.

- **Renewal Payment or "signing bonus"**: The City will receive 75% of its annual cash payment as a one-time payment for the renewal of the franchise agreement. This one-time cash payment amount totals \$36,183. This amount more than compensates the City for its share of the consortium legal bill payments of \$8,900.
- **Improved Coordination and Communication with Nicor**: The franchise ordinance streamlines and formalizes communication lines between Nicor and the City. At the very least, it requires that Nicor participate in an annual meeting with the City. Nicor must keep the City informed of right-of-way usage changes and anticipated capital improvement projects in the City. Nicor will be obligated to provide notice to the City of emergency events. All these formalized communication channels will assist the City as it coordinates public improvements with Nicor.
- **Capital Improvement Plans and Information Sharing**: As part of the agreement, Nicor shall provide and maintain an information sharing platform that will list Nicor capital projects, gas system work, gas facility location information and maps, along with work and maintenance status. City staff will be able to access this information.
- **Improved Indemnification Language**: The indemnification language from the original franchise agreement in 1958 needed updating. The revised franchise provides mutual indemnification provisions. Nicor is required to protect the municipality against any claim arising out of its failure to comply with the franchise or any negligent, unlawful, or intentional wrongful acts related to work in the use of the public right-of-way.

City legal counsel has also reviewed the draft franchise and approves of the final language. If approved by the City Council, the City will provide notice to Nicor of the new franchise ordinance and Nicor will sign a consent agreement to verify their compliance with the terms of the franchise.

Votes Required to Pass:

Simple majority



DRAFT

NATURAL GAS FRANCHISE ORDINANCE

AN ORDINANCE AUTHORIZING AND GRANTING A FRANCHISE
TO NORTHERN ILLINOIS GAS COMPANY
(d/b/a NICOR GAS COMPANY) ITS SUCCESSORS AND ASSIGNS,
TO CONSTRUCT, OPERATE AND MAINTAIN A NATURAL GAS DISTRIBUTING SYSTEM
IN AND THROUGH THE CITY OF CRYSTAL LAKE, ILLINOIS, AND
AMENDING CHAPTER A700, ARTICLE II OF THE CRYSTAL LAKE CITY CODE

WHEREAS, Northern Illinois Gas Company (d/b/a Nicor Gas Company), an Illinois corporation ("**NICOR GAS**") and the Municipality of Crystal Lake ("**Municipality**") entered into franchise agreement effective July 1, 1958 that generally authorized NICOR GAS to construct, operate, and maintain a gas distribution system within the Municipality, and NICOR GAS provided the Municipality a letter dated November 10, 2011 that specifies the compensation to be paid to the Municipality by NICOR GAS in connection with such franchise agreement (such franchise agreement and letter are referred to collectively herein as the "**Previous Agreement**"); and

WHEREAS, NICOR GAS, along with its successors and permitted assigns (collectively, "**Grantee**"), and the Municipality desire to have this Ordinance adopted and to have it represent a new agreement between the Grantee and the Municipality to supersede the Previous Agreement ("**Franchise**"); and

WHEREAS, the Municipality has determined that it is in the best interests of the Municipality and its residents to adopt this Ordinance establishing a new Franchise with the Grantee and amending the Crystal Lake City Code accordingly;

WHEREAS, the Grantee has approved this Ordinance and authorized execution by its duly authorized representatives of the Consent Agreement provided pursuant to Section 15 of this Ordinance; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE MUNICIPALITY OF CRYSTAL LAKE, MCHENRY COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1. DEFINITIONS.

The following terms have the meaning ascribed to them in this Section:

Annual Meeting. The meeting provided under Subsection 13.A. of this Ordinance.

Assignee. The entity that accepts an assignment under this Ordinance from the Grantee with the authorization of the Municipality, as provided in Subsection 13.B of this Ordinance.

Corporate Authorities. The corporate authorities of the Municipality.

Effective Date. The effective date of this Ordinance, being January 1, 2016.

Emergency. An event involving the Gas System that (i) poses an imminent threat to the public health or safety within the Municipality or (ii) is likely to result in a prolonged and unplanned interruption of gas service to a significant number of customers within the Municipality.

Gas. Natural gas or manufactured gas, or a mixture of gases, that is distributed to the Grantee's customers in the Municipality through the Gas System.

Gas System. The Grantee's system of pipes, tubes, mains, conductors, and other devices, apparatus, appliances, and equipment for the production, distribution, and sale of gas for fuel, heating, power, processing, and other purposes within and outside the corporate limits of the Municipality.

Gas System Work. Any construction, operation, maintenance, repair, removal or replacement of the Gas System conducted by the Grantee within the Public Right-of-Way or conducted by the Grantee immediately adjacent to the Public Right-of-Way if such activity physically disturbs the Public Right-of-Way.

ICC. The Illinois Commerce Commission.

Public Right-of-Way. The Municipality's streets, alleys, sidewalks, parkways, easements, and other property of the Municipality used as right-of-way.

Requirements of Law. Any and all reasonable regulations which may now or hereafter be prescribed by general ordinance of the Municipality with respect to the use of the Public Right-of-Way or the conduct of Gas System Work, without limitation Chapter 427 of the Crystal Lake City Code.

Term. The term of the Franchise under Section 3 of this Ordinance.

SECTION 2. GRANT OF FRANCHISE.

The Municipality grants the right, permission and authority to the Grantee to construct, operate, maintain, repair, remove, and replace its Gas System within the corporate limits of the Municipality, subject to the conditions and regulations of this Ordinance. The right, permission and authority granted by the Municipality to the Grantee by this Franchise may not be exclusive to the Grantee, provided that any other such rights or authority granted by the Municipality may not interfere with the right, permission and authority granted to the Grantee pursuant to this Ordinance.

SECTION 3. TERM.

The Franchise authorized and granted pursuant to this Ordinance shall be for a term of 25 years, commencing on the Effective Date, and expiring on January 1, 2041 ("**Term**").

SECTION 4. USE OF PUBLIC RIGHT-OF-WAY.

The Grantee shall be authorized to use the Public Right-of-Way for the Gas System and Gas System Work subject to the provisions of this Ordinance, including without limitation the following provisions:

A. General Coordination, Location And Repair. Those portions of the Gas System in the Public Right-of-Way shall be installed and maintained under the general supervision of the Director of Public Works of the Municipality, or other duly authorized agent of the Municipality. The portions of the Gas System within the Public Right-of-Way shall be located as not to injure any drains, sewers, catch basins, water pipes, pavements or other like public improvements. If any drain, sewer, catch basin, water pipe, pavement or other like public improvement is injured by the location of the portions of the Gas System within the Public Right-of-Way, the Grantee shall forthwith repair the damage to the satisfaction of the Municipality and in default thereof the Municipality may repair such damage and charge the cost thereof to, and collect the same from, the Grantee.

B. Compliance with Requirements of Law. The Grantee shall be subject to the specific standards provided in this Ordinance for work in the Public Right-of-Way and with all other Requirements of Law.

C. Conduct of Gas System Work; Restoration. The Grantee will conduct Gas System Work in accordance with the Requirements of Law. The Grantee will undertake to minimize the disturbance or obstruction of the Public Right-of-Way caused by Gas System Work, including, without limitation, having Gas System Work, once started, undertaken and completed without unreasonable delay. The Grantee will promptly restore Public Right-of-Way, as well as any fences, roads, pavements and other improvements in the Public Right-of-Way, disturbed by Gas System Work as nearly as reasonably practicable to its condition immediately before the Gas System Work.

D. Emergencies. In the case of an Emergency, the Grantee will notify the Municipality by the most practical, timely, and available means under the circumstances of the Emergency and the conditions that are affecting the Gas System and its customers. Notwithstanding Section 10, the notice will be no more than 24 hours after the Grantee learns of the Emergency, except if notice within 24 hours is not practicable under the circumstances of the Emergency, in which case the Grantee will provide the notice required under this Subsection as soon as is practicable under the circumstances. Each Party will provide the other Party with an Emergency contacts list, including 24-hour contact information for at least two representatives. The Grantee will keep the Municipality apprised of the status of the Emergency to the extent reasonably practicable and will advise the Municipality when the Emergency has been resolved.

E. Coordination Regarding Capital Improvements; System Information. The Grantee and the Municipality believe that it is in their mutual interests to be informed of their respective capital improvement programs, so that whenever practicable those programs can be undertaken to minimize the cost of construction and public inconvenience. To that end, the following provisions apply:

1. **Meeting.** At Annual Meetings (see Subsection 13.A of this Ordinance), representatives of the Grantee and the Municipality will be prepared to discuss significant known Gas System Work and Municipal projects that could impact the Gas System and that will or may be undertaken within the Municipality.

2. Capital Improvement Plans and General System Information. The Grantee will establish and maintain an information medium ("**Information Sharing System**"), at no cost to the Municipality, that will provide the Municipality access, on reasonable terms, to information identifying (a) anticipated Gas System Work, (b) Grantee's planned capital improvement plans and major maintenance work related to the Gas System within the Municipality, (c) maps or other documents showing the locations of gas distribution mains in or under Public Right-of-Way within the Municipality; and (d) the status of ongoing Gas System Work and capital improvement plans and major maintenance work related to the Gas System within the Municipality (collectively, "**General System Information**"). The Grantee reserves the right to modify or replace the Information Sharing System from time to time at its discretion. Absent gross negligence or intentional misconduct by the Grantee, the Grantee shall have no monetary liability to the Municipality due to defects in the design or performance of the Information Sharing System or errors or omissions in the information disclosed through the Information Sharing System; provided, however, that this sentence does not change the Grantee's obligation under Paragraph 1 of this Subsection and Subsection 13.A of this Ordinance with respect to General System Information. As part of the Annual Meeting, the Parties may discuss the performance of the Information Sharing System and any adjustments and refinements to the Information Sharing System and, if requested by the Municipality, the Grantee will provide information regarding any updates or other operational changes or improvements to the Information Sharing System.

SECTION 5. CONSIDERATION FOR USE OF PUBLIC RIGHT-OF-WAY.

A. Payments; Provision of Gas. The Grantee shall make the Renewal Payment provided in Paragraph 1 of this Subsection and, commencing with calendar year 2016, either (but never both) (i) make the Annual Payments as provided and calculated in Paragraph 2 of this Subsection, or (ii) provide for Unbilled Gas as provided and calculated in Paragraphs 3 of this Subsection. The Municipality shall notify the Grantee in writing within sixty days after the Effective Date whether it has chosen to receive Annual Payments or Unbilled Gas. In the event the Municipality has not notified the Grantee in writing within sixty days after the Effective Date, the Municipality shall be deemed to have chosen to receive Annual Payments as provided and calculated in Paragraph 2 of this Subsection. Upon written notice to Grantee given on or before June 30 of the calendar year preceding the date of change, the Municipality may change the method of compensation from Annual Payments to Unbilled Gas, or vice versa, effective as of January 1 of any or all of the third, sixth, ninth, twelfth, fifteenth, eighteenth, twenty-first, or twenty-fourth calendar year following the Effective Date. In the event the Municipality has not so notified the Grantee of a change in the method of compensation by the applicable June 30, the method of compensation then in effect shall continue and may not be changed by the Municipality during the ensuing three calendar year period.

1. Renewal Payment. Within ninety days after the Effective Date, the Grantee will pay the Municipality, solely as consideration for renewal of the franchise granted under the Previous Agreement, a one-time franchise renewal payment ("**Renewal Payment**") of \$36,181, being equal to 75 percent of the value of (a) the "**Therm Allocation**" (as calculated under Paragraph 4 of this Subsection) as of the Effective Date multiplied by (b) the "**Gas Cost per Therm**" (as calculated under Paragraph 2 of this Subsection).

2. Annual Payment. In January of each year except 2016 and in March of 2016, the Grantee will pay the Municipality an annual payment ("**Annual Payment**") if the Municipality has chosen or has been deemed to have chosen to receive Annual Payments rather than Unbilled Gas for such calendar year. The amount of each Annual Payment will be

calculated by the Grantee by multiplying (a) the "**Therm Allocation**" (as calculated under Paragraph 4 of this Subsection) times (b) the applicable Gas Cost per Therm. As used herein, the term "**Gas Cost per Therm**" means, with respect to a calendar year, the sum of (i) the average per therm gas cost for the preceding three calendar years, based on the Grantee's prudently incurred purchased gas cost and (ii) the per therm rate for general gas service under the Grantee's rate structure in effect as of the last day of the preceding calendar year.

3. Unbilled Gas. If the Municipality has chosen to receive Unbilled Gas, the Grantee shall supply, during each billing year (start and finish of each year shall begin and end with regular meter reading date nearest to January 1) that the Municipality's choice to receive Unbilled Gas remains in effect, without charge to the Municipality, an amount of gas ("**Unbilled Gas**") not to exceed the Therm Allocation (as calculated under Paragraph 4 of this Subsection), to be used in buildings which may be occupied from time to time by the Municipality solely for municipal purposes, or such part of these buildings as may from time to time be occupied for ongoing municipal purposes, and not for purposes of revenue.

4. Therm Allocation. For purposes of determining the Annual Payment or the amount of Unbilled Gas under Paragraphs 2 and 3, respectively, of this Subsection, the Therm Allocation will be based on the following formula: 3.6 therms per person up to 10,000 of population; 2.4 therms per person for the next 10,000 of population; 1.2 therm per person for the next 80,000 of population; 1.45 therms per person for the next 20,000 of population; and 1.8 therms per person for the population over 120,000. For purposes of the Therm Allocation, the population of the Municipality as of the Effective Date shall be deemed to be the same as the population of the Municipality at the 2010 decennial census, which was 40,743. This population number will be adjusted by the Grantee based on each decennial census count. Between decennial census counts, the Therm Allocation may be increased prospectively on the basis of changes in population of the Municipality as shown by revised or special census. Upon the submission of a written request by the Municipality accompanied by the official State notification of census change, the Therm Allocation will be adjusted by the Grantee.

B. Limitations on Gas Use. None of Unbilled Gas to be supplied to the Municipality under Paragraph A3 of this Section, shall be resold by the Municipality for any purpose whatsoever. In the event the Municipality uses less than the amount of Unbilled Gas calculated and authorized under Paragraph A3 of this Section, there shall be no payment due to the Municipality from the Grantee for gas not used during that billing year, nor shall any such unused therms be carried over for the following billing year's use.

C. Offset. If the Municipality has chosen or has been deemed to have chosen to receive Annual Payments, the Grantee shall have the right to reduce the Annual Payment for a calendar year by the amount of any fees that the Municipality has been paid by the Grantee during the preceding calendar year for permits, street or parkway openings, or inspections related to the Gas System or Gas System Works. If the Municipality has chosen to receive Unbilled Gas, the Grantee shall have the right to reduce the Therm Allocation for a billing year by an amount of therms equal to (a) the amount of any fees that the Municipality has been paid by the Grantee during the preceding billing year divided by (b) the Gas Cost per Therm determined for the calendar year that begins with the January 1 nearest to the end of such billing year.

SECTION 6. ACCOUNTS AND RECORDS.

Within 90 days following a written request by the Municipality made no more frequently than once during each calendar year of the Term, the Grantee will provide the Municipality with a written statement showing the gross operating revenue generated during the immediately preceding calendar year by the Grantee from the distribution of gas to customers identified in the Grantee's billing records as located within the corporate limits of the Municipality, which statement will, if requested as part of the Municipality's request, show the distribution of such gross operating revenue among the following categories of users: Residential, Commercial, and Industrial, or by such other categories as may be agreed to by the Grantee and the Municipality.

SECTION 7. SUBSTITUTION OF MORE FAVORABLE PROVISIONS.

A. Amended Ordinance. If during the Term of this Franchise, the Municipality learns of a Grantee franchise ("**Grantee Franchise**") from any other municipality in Illinois ("**Other Franchisor**") adopted or otherwise provided by the Other Franchisor after the Effective Date and containing "*More Favorable Provisions*" (as defined in Subsection C of this Section), then the Municipality may adopt, no sooner than 30 days from the date of providing the notice to the Grantee required pursuant to Subsection B of this Section, an ordinance amending this Ordinance solely to substitute for the provisions of Section 5 of this Ordinance replacement provisions that are substantially identical to the More Favorable Provisions ("**Amended Ordinance**"). If the Municipality adopts an Amended Ordinance in conformity with this Section 7, the Grantee will accept the Amended Ordinance and execute a Consent Agreement consistent with Section 15 of this Ordinance.

B. Notice. At least 30 days before adopting an Amended Ordinance pursuant to this Section 7, the Municipality shall provide the Grantee with written notice that explicitly (i) states that the Municipality intends to invoke its right under this Section 7 to adopt an Amended Ordinance; (ii) identifies the Other Franchisor; (iii) states the date, time, and place of the meeting at which adoption of the Amended Ordinance will be considered; and (iv) includes the Amended Ordinance.

C. More Favorable Provisions. "*More Favorable Provisions*" means the provisions in a Grantee Franchise (i) establishing the compensation to be paid by the Grantee to the Other Franchisor, including, without limitation, the formulas and procedures utilized to determine the form and amount of such compensation ("**Compensation Formulas and Procedures**"); and (ii) that the Municipality has reasonably concluded are more advantageous to or protective of the public interest of the Other Franchisor than the existing provisions of Section 5 of this Ordinance are to the Municipality. "More Favorable Provisions" shall not include provisions providing consideration to the Other Franchisor for franchise renewal (it being understood that the exercise by the Municipality of its right under this Section 7 shall not be deemed a franchise renewal). Replacement provisions in a proposed Amended Ordinance shall not be deemed to be substantially identical to More Favorable Provisions if those replacement provisions do not utilize the Compensation Formulas and Procedures as applied to the Municipality to determine the form and amount of compensation to be paid by the Grantee to the Municipality. The Municipality shall not have the right to invoke this Section solely to effect a change in the form of compensation (between payments or unbilled gas) if that form of compensation had been available to the Municipality to select under Section 5 of this Ordinance, and neither the procedures for changing the form of compensation in Section 5 of this Ordinance nor those in the Compensation Formulas and Procedures would then have permitted the Municipality to make a change in the form of compensation.

D. **No Notification Required.** Nothing in this Section shall require the Grantee to notify the Municipality of new franchises that the Grantee obtains with other municipalities in Illinois or new provisions within any existing franchise agreements.

SECTION 8. INDEMNIFICATION.

A. **Grantee.** The Grantee must, and will, fully indemnify the Municipality (but not any other third party) against and from any and all claims, liabilities, actions, damages, judgments, and costs, including without limitation injury or death to any person and damage to any property or Public Right-of-Way and including without limitation attorneys' fees (collectively, "**Claims**") that the Municipality may incur or suffer, or that may be obtained against the Municipality, as a result of or related to the Grantee's failure to perform any of its obligations under this Ordinance, or the Grantee's negligent, unlawful, or intentional wrongful acts or omissions that relate to (i) the use or occupation by Grantee of the Public Right-of-Way under this Ordinance, or (ii) the construction, operation, maintenance, or repair of the Gas System located within the Public Right-of-Way. The Municipality must give the Grantee written notice within 30 calendar days after the Municipality has received written notice of a Claim. The Municipality may tender to the Grantee the defense of a Claim, in which case the Grantee must defend the Municipality against that Claim, or the Municipality may defend itself against that Claim at the Grantee's expense. The Grantee shall not be required to indemnify, defend, or hold harmless the Municipality for any Claims to the extent the Municipality, its officers, agents, or employees are liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Municipality, its officers, agents, or employees while acting on behalf of the Municipality).

B. Municipality.

1. The Municipality must, and will, fully indemnify the Grantee (but not any other third party) against any and all Claims arising as a result of damages to the Grantee's Gas System caused by the conduct of the Municipality, its officers, employees, or agents for which the Municipality is liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Municipality, its officers, agents, or employees while acting on behalf of the Municipality). The Municipality shall not be required to indemnify, defend, or hold harmless the Grantee for any damages to the extent the Grantee, its officers, agents, or employees are liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Grantee, its officers, agents, or employees while acting on behalf of the Grantee).

2. The Grantee recognizes the Municipality's right to exercise its police powers over the Public Right-of-Way in case of fire, disaster, or other emergency as reasonably determined by the Municipality. Notwithstanding Paragraph 1 of this Subsection, the Municipality shall not be liable to the Grantee for any damages to the Grantee's Gas System when the damage results from the exercise by the Municipality of its police powers in order to protect the public in case of fire, disaster or other emergency. When practicable, as reasonably determined by the Municipality, the Municipality shall consult with the Grantee prior to the exercise by the Municipality of these police powers, where the exercise may affect the Grantee's Gas System, and to permit the Grantee to take necessary action to protect the public and the Gas System.

SECTION 9. INSURANCE.

If the Grantee's total stockholder equity as determined in accordance with generally accepted accounting principles ("**Stockholder Equity**") as of the end of its most recently completed fiscal year is less than **fifty million dollars (\$50,000,000)**, the Grantee shall be obligated under this ordinance to maintain during its current fiscal year, at its sole cost and expense, insurance against the liabilities assumed under this ordinance consisting of the following coverages at the following minimum limits:

A. Comprehensive General Liability. Comprehensive general liability insurance with coverage written on an "occurrence" or "claims made" basis and with limits no less than: (1) General Aggregate: \$2,000,000; (2) Bodily Injury: \$2,000,000 per person, \$2,000,000 per occurrence; and (3) Property Damage: \$2,000,000 per occurrence. Coverage must include: Premises Operations, Independent Contractors, Personal Injury (with Employment Exclusion deleted), Broad Form Property Damage Endorsement, Blanket Contractual Liability, and bodily injury and property damage. Exclusions "X," "C," and "U" must be deleted. Railroad exclusions must be deleted if any portion of the Gas System Work is within 50 feet of any railroad track. Every employee of the Grantee engaged in Gas System Work within the Municipality must be included as an insured.

B. Comprehensive Motor Vehicle Liability. Comprehensive motor vehicle liability insurance with a combined single limit of liability for bodily injury and property damage of not less than \$2,000,000 for vehicles owned, non-owned, or rented. The coverage required by this subsection shall include bodily injury and property damage for all motor vehicles engaged in Gas System Work within the Municipality that are operated by any employee, subcontractor, or agent of the Grantee.

C. Workers' Compensation. Workers' compensation coverage in accordance with applicable law.

D. General Standards for All Insurance. If obligated under this Section to maintain the foregoing insurance coverages, (i) the Grantee may satisfy that obligation, in whole or in part, through insurance provided by a captive insurance company affiliated with the Grantee to the extent permitted under applicable law if such captive insurance company and the Grantee are both controlled by a company with Stockholder Equity as of the end of its most recently completed fiscal year of at least **fifty million dollars (\$50,000,000)**, or through commercial insurance; (ii) all commercial insurance policies obtained by the Grantee to satisfy such obligation must be written by companies customarily used by public utilities for those purposes, including, if permitted by this Subsection, policies issued by a captive insurance company affiliated with the Grantee; (iii) the Grantee must provide the Municipality, upon request, with reasonable evidence of insurance and with certificates of insurance for commercial coverage designating the Municipality and its officers, boards, commissions, elected officials, agents, and employees as additional insured and demonstrating that the Grantee is maintaining the insurance required in this Section; and (iv) each policy shall provide that no change, modification, or cancellation of any insurance coverage required by this Section shall be effective until the expiration of 30 calendar days after written notice to the Municipality of any such change, modification, or cancellation and providing that there is no limitation of liability of the insurance if the Grantee fails to notify the Municipality of a policy cancellation.

SECTION 10. CURE.

In addition to every other right or remedy provided to the Municipality under this Ordinance, if the Grantee fails to comply in a material respect with any of its material obligations

under this Ordinance (for reason other than force majeure), then the Municipality may give written notice to the Grantee specifying that failure. The Grantee will have 30 calendar days after the date of its receipt of that written notice to take all necessary steps to cure such material non-compliance, unless the cure cannot reasonably be achieved within 30 calendar days but the Grantee promptly commences the cure and diligently pursues the cure to completion.

SECTION 11. FORCE MAJEURE.

Neither the Grantee nor the Municipality will be held in violation or breach of this Ordinance when a violation or breach occurred or was caused by (a) riot, war, earthquake, flood, terrorism, or other catastrophic act beyond the respective Party's reasonable control or (b) governmental, administrative, or judicial order or regulation other than, in the case of the Municipality, an order or regulation issued by the Municipality not in the exercise of its police powers in order to protect the public in the case of fire, disaster or other emergency.

SECTION 12. NOTICE.

With respect to an Emergency, Grantee shall provide notice to the Municipality in accordance with Subsection 4.D. of this Ordinance. Any other notice that (a) requires a response or action from the Municipality or the Grantee within a specific time frame or (b) would trigger a timeline that would affect one or both of the parties' rights under this Ordinance must be made in writing and must be sufficiently given and served on the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

**City of Crystal Lake
100 W. Woodstock Street
Crystal Lake, IL 60014
Attention: City Manager**

If to Grantee:

**Northern Illinois Gas Company d/b/a Nicor Gas Company
1844 Ferry Road
Naperville, Illinois 60563
Attention: President**

with a copy to:

**Northern Illinois Gas Company d/b/a Nicor Gas Company
1844 Ferry Road
Naperville, Illinois 60563
Attention: Community Relations and Economic Development Department**

For other notices regarding the general business between the parties, e-mail messages and facsimiles will be acceptable when addressed to the persons of record specified above.

SECTION 13. GENERAL PROVISIONS.

A. Communications and Annual Meeting.

1. **General Communications.** The Grantee and the Municipality believe that it is in their mutual interests to maintain consistent and reliable means of communications regarding all matters under this Franchise. Nothing in this Section precludes the parties in any way from conducting meetings and communications not specifically provided in this Section on any other dates and times during the Term as necessary, required, or otherwise desired.

2. **Annual Meeting.** Except as the Grantee and the Municipality may otherwise agree, upon 45 days prior written notice from the Municipality to the Grantee given no more frequently than once during each calendar year of the Term, the representatives of the Grantee and the Municipality will meet at the offices of the Municipality or another mutually acceptable location ("***Annual Meeting***").

3. **Annual Meeting Matters.** At the Annual Meetings the Parties will review, as necessary, any matters related to this Ordinance and the Franchise as generally identified by the Municipality in its written notice provided pursuant to Paragraph 2 of this Subsection related to (i) the Gas System and Gas System Work; (ii) issues that have arisen since the prior Annual Meeting regarding the Grantee's activities conducted under the authority granted by this Ordinance, (iii) efforts and initiatives by the Grantee or the Municipality, or both, to promote energy efficiency and cost savings related to the use of gas supplied by the Grantee; and (iv) identification of anticipated future capital improvement programs by the Municipality and the Grantee in an effort to coordinate those programs whenever practical in an effort to minimize costs for both the Municipality and the Grantee and to reduce public inconvenience (collectively, "***Annual Meeting Matters***"). The Grantee's and the Municipality's representatives at Annual Meetings shall include individuals with the knowledge, experience and authority required to address competently and to seek to resolve the Annual Meeting Matters identified from discussion at the Annual Meeting.

4. **Good Faith Efforts to Resolve Annual Meeting Matters.** The Municipality and the Grantee will constructively discuss the Annual Meeting Matters at the Annual Meetings. The goal of these discussions is to ensure that the Grantee and the Municipality have sufficient information to address and, if possible, resolve the Annual Meeting Matters and the Parties will share information reasonably necessary for those purposes; provided, however that neither the Grantee nor the Municipality will be required to respond to unduly burdensome information requests or to provide confidential or privileged information to the other party. The parties will work in good faith to resolve Annual Meeting Matters on mutually acceptable terms and to do so within a reasonable period of time. To the extent that resolution of an Annual Meeting Matter is not otherwise provided by the terms of this Franchise, the parties may memorialize their understandings related to resolution of Annual Meeting Matters through memoranda of understanding, supplemental agreements, or other arrangements mutually agreed to.

B. Assignments of Rights by Grantee. All provisions of this Ordinance that are obligatory upon, or which inure to the benefit of, NICOR GAS shall also be obligatory upon and shall inure to the benefit of any and all successors and permitted assigns of NICOR GAS, and the word "Grantee" wherever appearing in this Ordinance shall include and be taken to mean not only NICOR GAS, but also each and all of such successors and permitted assigns. The Grantee may not assign any right it has under this Ordinance without the prior express written authorization of the Municipality by ordinance or resolution of the Corporate Authorities. The

Municipality will not withhold that authorization if (a) the Assignee is technically and financially capable of operating and maintaining the Gas System in the reasonable judgment of the Municipality and (b) the Assignee assumes all of the obligations of the Grantee under this Ordinance except as they may be amended in writing and approved by the Municipality.

C. Entire Agreement; Interpretation. This Ordinance embodies the entire understanding and agreement of the Municipality and the Grantee with respect to the subject matter of this Ordinance and the Franchise. This Ordinance supersedes, cancels, repeals, and shall be in lieu of the Previous Agreement.

D. Governing Law; Venue. This Ordinance has been approved executed in the State of Illinois and will be governed in all respects, including validity, interpretation, and effect, and construed in accordance with, the laws of the State of Illinois. Any court action against the Municipality may be filed only in McHenry County, Illinois, in which the Municipality's principal office is located.

E. Amendments. Except as otherwise provided pursuant to Section 7 of this Ordinance, no provision of this Ordinance may be amended or otherwise modified, in whole or in part, to be contractually binding on Grantee, except by an instrument in writing duly approved and executed by the Municipality and accepted by the Grantee by execution of a Consent Agreement consistent with Section 15 of this Ordinance.

F. No Third-Party Beneficiaries. Nothing in this Ordinance is intended to confer third-party beneficiary status on any person, individual, corporation, or member of the public to enforce the terms of this Ordinance.

G. No Waiver of Rights. Nothing in this Ordinance may be construed as a waiver of any rights, substantive or procedural, the Grantee or the Municipality may have under federal or State of Illinois law unless such waiver is expressly stated in this Ordinance.

SECTION 14. MUNICIPALITY AUTHORITY RESERVATION.

The Municipality reserves, subject to the limitations of applicable federal and State of Illinois laws, (i) its powers necessary or convenient for the conduct of the Municipality's municipal affairs and for the public health, safety and general welfare; and (ii) its right to own and operate a gas utility in competition with the Grantee. Notwithstanding the foregoing, the Municipality will not take any such action that would have the effect of depriving Grantee of the rights, permissions and authorities granted to Grantee under this Ordinance.

SECTION 15. CONSENT AGREEMENT.

Within ninety days after the Effective Date, the Grantee will file with the Municipality a written agreement to accept and comply with the terms of this Ordinance as attached to this Ordinance as Exhibit A ("**Consent Agreement**"), duly executed by authorized representatives of the Grantee. The Grantee's failure to provide the Consent Agreement within ninety days after the Effective Date shall be deemed a rejection of this Ordinance by the Grantee, and the rights and privileges herein granted shall absolutely cease and terminate, unless, within ninety days after the Effective Date, the time period for the Grantee to file the Consent Agreement is extended by the Municipality by ordinance duly passed for that purpose and the Grantee has agreed in writing to such extension.

SECTION 16. AMENDMENT OF CITY CODE.

Chapter A700, Article II of the Crystal Lake City Code, titled "Northern Illinois Gas Company," is hereby amended in its entirety to read as follows:

Chapter A700. Northern Illinois Gas Company

§A700-14 Franchise Granted

The right, permission, and authority is hereby granted to Northern Illinois Gas Company (d/b/a NICOR GAS COMPANY) ("Grantee") to construct, operate, maintain, repair, remove, and replace its gas system within the corporate limits of the City in accordance with the ordinance titled "An Ordinance Authorizing And Granting A Franchise To Northern Illinois Gas Company (d/b/a Nicor Gas Company) Its Successors And Assigns, To Construct, Operate And Maintain A Natural Gas Distributing System In And Through The City Of Crystal Lake, Illinois, And Amending Chapter A700, Article II Of The Crystal Lake City Code" enacted by the Crystal Lake City Council on January 19, 2016.

§A700-15 through §A700-18. [reserved]

SECTION 17. EFFECTIVE DATE.

This ordinance shall be in full force and effect from and after its passage and approval according to law.

DATED at Crystal Lake, Illinois, this 19th day of January 2016.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PASSED:

APPROVED:

Published in pamphlet form by the authority of the Mayor and City Council of the City of Crystal Lake.

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City Clerk
STATE OF ILLINOIS

COUNTY OF MCHENRY) SS.
CITY OF CRYSTAL LAKE)

I, Nick Kachiroubas, City Clerk of the City of Crystal Lake, Illinois, do hereby certify that the foregoing is a true and correct copy of an Ordinance duly passed by the City Council of said City on the 19th day of January, 2016, and duly approved by the Mayor of said City on the 19th day of January, 2016, the original of which Ordinance is now on file in my office.

I do further certify that I am the legal custodian of all papers, contracts, documents and records of said City.

WITNESS my hand and the official seal of said City this 19th day of January, 2016.

City Clerk
Crystal Lake, Illinois

(SEAL)

CONSENT AGREEMENT

Pursuant to Section 15 of that certain Natural Gas Franchise Ordinance duly passed by the City Council/Board of Trustees of _____ (the "Municipality") on _____ and duly approved by the Mayor/President of the Municipality on _____ (the "Ordinance"), a copy of which is attached hereto, Northern Illinois Gas Company d/b/a Nicor Gas Company, an Illinois corporation hereby accepts and agrees to comply with the Ordinance.

NORTHERN ILLINOIS GAS COMPANY D/B/A NICOR GAS COMPANY

By: _____

Name: _____

Title: _____

Date: _____