
**PROCEEDINGS OF A SPECIAL MEETING
OF THE CITY COUNCIL OF THE CITY OF PEKIN, ILLINOIS,
HELD IN THE COUNCIL CHAMBERS OF THE CITY HALL
ON THURSDAY, AUGUST 19, 1999, AT 3:00 O'CLOCK P.M.
R. DAVID TEBBEN * MAYOR * PRESIDING**

PRESENT: COMMISSIONERS, ORRICK, BARRA, JONES AND RICHMOND
ABSENT: NONE

Notice of a special meeting of the City Council was posted in the office of the City Clerk and received by members of Council on August 16, 1999.

Communications, Petitions, Reports

Mayor Tebben opened the special Council meeting at 3:05 P.M. with the following Water Study Task Force Committee members present:

Ralph Brower	Eleanor Gibbons	Dick Cohenour	John Fordham
Curt Keller	Bernie Riley	Gerry Wise.	
Absent: Dave Parsons and George Carver			

As the only item of business on the agenda, the City Council, the Committee, and City Manager Richard Hierstein, met to review the Water Study and allow Council to question committee members about the report.

The Mayor stated he was appreciative of the work done by the group and was impressed with the style, objectivity and detail that was presented in the report. Chairman Ralph Brower gave an overview of the process used to arrive at their decision after studying the feasibility of Pekin pursuing a purchase of the local water facility from Illinois American Water Company.

The Mayor opened the floor for discussion. Questions were answered regarding the pro forma operating statement that indicated an annual profit exceeding 1.5 million for a City owned facility using current rates. The committee advised that the purchase was financially feasible if the price was \$20 million or less. They felt the acquisition would provide long range benefits such as controlled rate increases, planned infrastructure maintenance, managed growth, and significant cash flows. Profit dollars would be kept locally not returned to stockholders, out of state management, or taxes.

Other matters discussed were industrial users concerns; the overall service record of Illinois American; the company's rates, records and lack of opportunities for City departments such as fire and public works to be involved; the simplicity of treating and pumping the Pekin system; the accountability of elected official and accessibility of local personnel.

The advisory group unanimously recommended that the City pursue the purchase. Some members stated they were not in support of the acquisition prior to the study but were convinced after completing the research. Chairman Ralph Brower told Council they were presented the facts and the findings and now must decide how to proceed on the issue, specifically whether the proposal would be placed on referendum. He suggested a citizens group would best be able to convince residents to support a buyout. Mr. Hierstein felt the City would need to educate the public since tax dollars could not be used to defend against an expensive advertisement campaign by Illinois American to defeat the proposal.

Council took no action.

COUNCIL ADJOURNED AT 4:30 P.M.

Sue E. McMillan
City Clerk