



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB3704

Introduced 2/18/2025, by Rep. Lawrence "Larry" Walsh, Jr.

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-135.5-35

Amends the Regional Water Commission Division of the Illinois Municipal Code. Provides that in connection with a contract by a commission for the construction of all or any portion of a waterworks system or other public improvement of the commission, the commission must enter into a project labor agreement with the applicable local building trades council or the applicable local buildings trades council must enter into a project labor agreement with the general contractor selected by the commission (rather than the commission must enter into a project labor agreement with the applicable local building trades council) prior to the commencement of any and all construction, building, renovation, demolition, or any material change to the structure or land. Effective immediately.

LRB104 09883 RTM 19952 b

1 AN ACT concerning local government.

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

4 Section 5. The Illinois Municipal Code is amended by  
5 changing Section 11-135.5-35 as follows:

6 (65 ILCS 5/11-135.5-35)

7 Sec. 11-135.5-35. Revenues; rates; costs; construction  
8 contracts.

9 (a) Revenue fund. Whenever bonds are issued under this  
10 Division, the revenue received from the operation of the  
11 properties under the control of the commission shall be set  
12 aside as collected and deposited in a separate fund to be used  
13 only (1) in paying the cost of the operation and maintenance of  
14 those properties, (2) in providing an adequate depreciation  
15 fund, (3) in paying the principal of and interest upon the  
16 revenue bonds issued by the commission, as provided by this  
17 Division, (4) to comply with the covenants of the ordinance or  
18 resolution, or the master trust indenture or any applicable  
19 supplemental trust indenture or both, authorizing the issuance  
20 of such bonds, and (5) to carry out the corporate purposes and  
21 powers of the commission.

22 (b) Rates and charges for waterworks system. If the  
23 commission has charge of the operation of a complete

1 waterworks system, including the distribution mains, the  
2 commission shall establish rates and charges for water and the  
3 use of commission waterworks system facilities, which shall be  
4 sufficient at all times to pay the cost of operation and  
5 maintenance, to provide an adequate depreciation fund, to pay  
6 the principal of and interest upon all revenue bonds issued as  
7 provided by this Division, to comply with the covenants of the  
8 ordinance or resolution, or the master trust indenture or any  
9 applicable supplemental trust indenture or both, authorizing  
10 the issuance of such bonds, and to carry out the corporate  
11 purposes and powers of the commission. Charges and rates shall  
12 be established, revised, and maintained by ordinance and  
13 become payable as the commission may determine by ordinance.

14 (c) Rates and charges for water source of supply. If the  
15 commission has charge of the operation of a common source of  
16 supply of water, the municipalities represented by the  
17 commission shall contract with the commission for water. These  
18 municipalities shall establish such charges and rates for  
19 water supplied by them to consumers as will be sufficient at  
20 all times (1) to pay the cost of operation and maintenance of  
21 the respective waterworks systems (or combined waterworks and  
22 sewerage systems) of the municipalities, (2) to provide an  
23 adequate depreciation fund therefor, (3) to pay the principal  
24 of and interest on all revenue bonds of the municipalities  
25 payable from the revenues of the waterworks system (or  
26 combined waterworks and sewerage system), and (4) to pay the

1 charges and rates established by the commission for the sale  
2 of water by the commission to, and the use of commission  
3 waterworks system facilities by, those municipalities. The  
4 commission shall establish such charges and rates for water  
5 supplied to those municipalities and the use of commission  
6 waterworks system facilities as will be sufficient at all  
7 times (1) to pay the cost of operation and maintenance of the  
8 common source of supply of water, (2) to provide an adequate  
9 depreciation fund therefor, (3) to pay the principal of and  
10 interest on the revenue bonds issued by the commission, (4) to  
11 comply with the covenants of the ordinance or resolution, or  
12 the master trust indenture or any applicable supplemental  
13 trust indenture or both, authorizing the issuance of such  
14 bonds, and (5) to carry out the corporate purposes and powers  
15 of the commission, under the provisions of this Division.  
16 Contracts entered into between the commission and the  
17 specified municipalities shall include covenants for the  
18 establishment of rates and charges as provided in this  
19 Section.

20 (d) Pension costs. Contributions to a retirement fund or  
21 other pension alternative authorized by the Illinois Pension  
22 Code, including, without limitation, the Illinois Municipal  
23 Retirement Fund, by commissions created under this Division  
24 which have been included under the retirement fund or other  
25 pension alternative shall be considered a cost of operation  
26 and maintenance for the purposes of this Section.

1 (e) Enforcement of obligations. An owner of a bond issued  
2 under this Division, a trustee under a master trust indenture  
3 or supplemental trust indenture or both with respect to the  
4 bonds issued under this Division, or both the owner and  
5 trustee may, in a civil action, mandamus action, or other  
6 proceeding, enforce and compel performance of all duties  
7 required by this Division to be performed by such a commission  
8 or by any of the municipalities, including the making of rates  
9 and charges, the collecting of sufficient revenue, and the  
10 application thereof, as provided in this Division.

11 (f) Construction contracts. All or any portion of a  
12 waterworks system or other public improvement of such a  
13 commission, when the expense thereof will exceed the greater  
14 of (i) \$25,000 or (ii) the amount of expense above which a work  
15 or public improvement by a municipality must be let to the  
16 lowest responsible bidder after advertising for bids under  
17 Section 8-9-1 of this Code, shall be constructed, maintained,  
18 or repaired either: (1) by a contract let to the lowest  
19 responsible bidder after advertising for bids, in the manner  
20 prescribed by the commission's bylaws, rules, and regulations  
21 and by the vote required as established in the  
22 intergovernmental agreement pursuant to Section 11-135.5-25;  
23 or (2) without advertising for bids, if authorized by a vote of  
24 greater than a majority of all the commissioners as  
25 established in the intergovernmental agreement pursuant to  
26 Section 11-135.5-25. The commission's bylaws, rules, and

1 regulations shall provide for an alternative procedure for  
2 emergency procurement if an emergency makes it impracticable  
3 to follow the procedures in this subsection.

4 (g) Alternative project delivery. A commission may use  
5 alternative project delivery methods if the commission  
6 determines it to be in the commission's best interest for a  
7 particular project. An alternative project delivery method may  
8 include, without limitation, design-build or  
9 construction-manager-at-risk. All notices for the procurement  
10 of goods, services, or work to be provided pursuant to an  
11 alternate delivery method shall include all requirements for  
12 the goods, services, or work to be procured. All awards of  
13 contracts or agreements for the procurement of goods,  
14 services, or work to be provided pursuant to an alternate  
15 delivery method shall be made on the basis of demonstrated  
16 competence and qualifications and with due regard for the  
17 principles of competitive selection. As part of an alternate  
18 project delivery procurement process, prior to submission of  
19 proposals, the commission may conduct meetings and exchange  
20 confidential information with proposers to promote  
21 understanding of the request for proposals, review alternative  
22 design concepts, or discuss other issues related to the  
23 procurement.

24 As used in this subsection:

25 "Construction-manager-at-risk" means a delivery method in  
26 which the party proposing to be the construction manager

1 commits to be responsible for performance of certain  
2 preconstruction services and, if the parties reach agreement  
3 on key terms, becomes responsible for construction of the  
4 project.

5 "Design-build" means a delivery method that provides  
6 responsibility within a single contract for furnishing the  
7 architectural, engineering, land-surveying, and related  
8 services for the project, as well as the labor, materials,  
9 equipment, and other construction services for the project.

10 (h) Procurement goals and requirements. A commission may  
11 establish goals or requirements for the procurement of goods  
12 and services and for construction contracts to promote and  
13 encourage the continuing economic development of (i)  
14 businesses that are owned and operated by minorities, women,  
15 persons with disabilities, or veterans; (ii) businesses that  
16 are located within the territory of one or more of the  
17 municipalities that are members of the commission; (iii)  
18 businesses that employ persons who reside in the territory of  
19 one or more of the municipalities that are members of the  
20 commission; (iv) businesses that are located within the  
21 territory of a municipality having more than 2,000,000  
22 inhabitants in which a portion of the commission's waterworks  
23 system or other commission improvement is located; or (v)  
24 businesses that employ persons who reside in the territory of  
25 a municipality having more than 2,000,000 inhabitants in which  
26 a portion of the commission's waterworks system or other

1 commission improvement is located.

2 A commission may also establish other goals or  
3 requirements that result in the award to a responsible bidder  
4 other than the lowest responsible bidder if the commission  
5 determines that the award is in the commission's best  
6 interests, notwithstanding the requirements of subsection (f).  
7 Goals or requirements that are set by a commission that result  
8 in a preference being applied to a bidder or proposer, who has  
9 met those goals or requirements, in a commission's process for  
10 awarding construction contracts and for the procurement of  
11 goods and services must comply with the constitutional  
12 standards applicable to the preferences.

13 (i) Contract assignment. A member municipality may enter  
14 into a contract for any portion of a waterworks system or other  
15 public improvement of a commission pursuant to a contracting  
16 method that is consistent with the requirements applicable to  
17 the municipality and generally consistent with the principles  
18 in subsection (f) or (g). The commission may accept assignment  
19 of such a contract and of payment obligations under that  
20 contract.

21 (j) Project labor agreement. In connection with a contract  
22 by a commission for the construction of all or any portion of a  
23 waterworks system or other public improvement of the  
24 commission, the commission must enter into a project labor  
25 agreement with the applicable local building trades council or  
26 the applicable local buildings trades council must enter into



1 a project labor agreement with the general contractor selected  
2 by the commission prior to the commencement of any and all  
3 construction, building, renovation, demolition, or any  
4 material change to the structure or land.

5 (Source: P.A. 102-684, eff. 12-16-21; 102-1134, eff. 2-10-23.)

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.