

AN ACT concerning local government.

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

Section 5. The Illinois Municipal Code is amended by changing Sections 11-119.1-4 and 11-119.2-4 as follows:

(65 ILCS 5/11-119.1-4) (from Ch. 24, par. 11-119.1-4)

Sec. 11-119.1-4. Municipal Power Agencies. A. Any 2 or more municipalities, contiguous or noncontiguous, and which operate an electric utility system, may form a municipal power agency by the execution of an agency agreement authorized by an ordinance adopted by the governing body of each municipality. The agency agreement may state:

(1) that the municipal power agency is created and incorporated under the provisions of this Division as a body politic and corporate, municipal corporation and unit of local government of the State of Illinois;

(2) the name of the agency and the date of its establishment;

(3) that names of the municipalities which have adopted the agency agreement and constitute the initial members of the municipal power agency;

(4) the names and addresses of the persons initially appointed in the ordinances adopting the agency agreement to

serve on the Board of Directors and act as the representatives of the municipalities, respectively, in the exercise of their powers as members;

(5) the limitations, if any, upon the terms of office of the directors, provided that such directors shall always be selected and vacancies in their offices declared and filled by ordinances adopted by the governing body of the respective municipalities;

(6) the location by city, village or incorporated town in the State of Illinois of the principal office of the municipal power agency;

(7) provisions for the disposition, division or distribution of obligations, property and assets of the municipal power agency upon dissolution; and

(8) any other provisions for regulating the business of the municipal power agency or the conduct of its affairs which may be agreed to by the member municipalities, consistent with this Division, including, without limitation, any provisions for weighted voting among the member municipalities or by the directors.

B. The presiding ~~chief executive~~ officer of the Board of Directors of any municipal power agency established pursuant to this Division or such other officer selected by the Board of Directors, within 3 months after establishment, shall file a certified copy of the agency agreement and a list of the municipalities which have adopted the agreement with the

recorder of deeds of the county in which the principal office is located. The recorder of deeds shall record this certified copy and list and shall immediately transmit the certified copy and list to the Secretary of State, together with his certificate of recordation. The Secretary of State shall file these documents and issue his certificate of approval over his signature and the Great Seal of the State. The Secretary of State shall make and keep a register of municipal power agencies established under this Division.

C. Each municipality which becomes a member of the municipal power agency shall appoint a representative to serve on the Board of Directors, which representative may be a member of the governing body of the municipality. Each appointment shall be made by the mayor, or president, subject to the confirmation of the governing body. The directors so appointed shall hold office for a term of 3 years, or until a successor has been duly appointed and qualified, except that the directors first appointed shall determine by lot at their initial meeting the respective directors which shall serve for a term of one, 2 or 3 years from the date of that meeting. A vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment.

The Board of Directors is the corporate authority of the municipal power agency and shall exercise all the powers and manage and control all of the affairs and property of the agency. The Board of Directors shall have full power to pass

all necessary ordinances, resolutions, rules and regulations for the proper management and conduct of the business of the board, and for carrying into effect the objects for which the agency was established.

At the initial meeting of the Board of Directors to be held within 30 days after the date of establishment of the municipal power agency ~~and at the first meeting of each fiscal year thereafter~~, the directors shall elect from their members a presiding officer to preside over the meetings of the Board of Directors ~~president~~ and an alternative presiding officer ~~vice-president~~ and may elect an executive board. The Board of Directors shall determine and designate in the agency's bylaws the titles for the presiding officers. The directors shall also elect a secretary and treasurer, who need not be directors. The board may select such other officers, employees and agents as deemed to be necessary, who need not be directors or residents of any of the municipalities which are members of the municipal power agency. The board may designate appropriate titles for all other officers, employees, and agents. All persons selected by the board shall hold their respective offices during the pleasure of the board, and give such bond as may be required by the board.

D. The bylaws of the municipal power agency, and any amendments thereto, shall be adopted by the Board of Directors by a majority vote (adjusted for weighted voting, if provided in the Agency Agreement) to provide the following:

- (1) the conditions and obligations of membership, if any;
- (2) the manner and time of calling regular and special meetings of the Board of Directors;
- (3) the procedural rules of the Board of Directors;
- (4) the composition, powers and responsibilities of any committee or executive board;
- (5) the rights and obligations of new members, and the disposition of rights and obligations upon termination of membership; and
- (6) such other rules or provisions for regulating the affairs of the municipal power agency as the board shall determine to be necessary.

E. Every municipal power agency shall maintain an office in the State of Illinois to be known as its principal office. When a municipal power agency desires to change the location of such office, it shall file with the Secretary of State a certificate of change of location, stating the new address and the effective date of change. Meetings of the Board of Directors may be held at any place within the State of Illinois, designated by the Board of Directors, after notice. Unless otherwise provided by the bylaws, an act of the majority of the directors present at a meeting at which a quorum is present is the act of the Board of Directors.

F. The Board of Directors shall hold at least one meeting each year for the election of officers and for the transaction of any other business. Special meetings of the Board of

Directors may be called for any purpose upon written request to the presiding officer of the Board of Directors ~~president~~ or secretary to call the meeting. Such officer shall give notice of the meeting to be held not less than 10 days and not more than 60 days after receipt of such request. Unless the bylaws provide for a different percentage, a quorum for a meeting of the Board of Directors is a majority of all members then in office. All meetings of the board shall be held in compliance with the provisions of "An Act in relation to meetings", approved July 11, 1957, as amended.

G. The agency agreement may be amended as proposed at any meeting of the Board of Directors for which notice, stating the purpose, shall be given to each director and, unless the bylaws prescribe otherwise, such amendment shall become effective when ratified by ordinances adopted by a majority of the governing bodies of the member municipalities. Each amendment, duly certified, shall be recorded and filed in the same manner as for the original agreement.

H. Each member municipality shall have full power and authority, subject to the provisions of its charter and laws regarding local finance, to appropriate money for the payment of the expenses of the municipal power agency and of its representative in exercising its functions as a member of the municipal power agency.

I. Any additional municipality which operates an electric utility system may join the municipal power agency, or any

member municipality may withdraw therefrom upon the approval by ordinance adopted by the governing body of the majority of the municipalities which are then members of the municipal power agency. Any new member shall agree to assume its proportionate share of the outstanding obligations of the municipal power agency and any member permitted to withdraw shall remain obligated to make payments under any outstanding contract or agreement with the municipal power agency. Any such change in membership shall be recorded and filed in the same manner as for the original agreement.

J. Any 2 or more municipal power agencies organized pursuant to this Division may consolidate to form a new municipal power agency when approved by ordinance adopted by the governing body of each municipality which is a member of the respective municipal power agency and by the execution of an agency agreement as provided in this Section.

(Source: P.A. 83-997.)

(65 ILCS 5/11-119.2-4) (from Ch. 24, par. 11-119.2-4)

Sec. 11-119.2-4. A. Any 2 or more municipalities, contiguous or noncontiguous, and which operate a natural gas plant or system, may form a municipal natural gas agency by the execution of an agency agreement authorized by an ordinance adopted by the governing body of each municipality. The agency agreement may state:

(1) that the municipal natural gas agency is created and

incorporated under the provisions of this Division as a body politic and corporate, municipal corporation and unit of local government of the State of Illinois;

(2) the name of the agency and the date of its establishment;

(3) the names of the municipalities which have adopted the agency agreement and constitute the initial members of the municipal natural gas agency;

(4) the names and addresses of the persons initially appointed in the ordinances adopting the agency agreement to serve on the Board of Directors and act as the representatives of the municipalities, respectively, in the exercise of their powers as members;

(5) the limitations, if any, upon the terms of office of the directors, provided that such directors shall always be selected and vacancies in their offices declared and filled by ordinances adopted by the governing body of the respective municipalities;

(6) the location by city, village or incorporated town in the State of Illinois of the principal office of the municipal natural gas agency;

(7) provisions for the disposition, division or distribution of obligations, property and assets of the municipal natural gas agency upon dissolution; and

(8) any other provisions for regulating the business of the municipal natural gas agency or the conduct of its affairs

which may be agreed to by the member municipalities, consistent with this Division, including, without limitation, any provisions for weighted voting among the member municipalities or by the directors.

B. The presiding ~~chief executive~~ officer of the Board of Directors of any municipal natural gas agency established pursuant to this Division or such other officer selected by the Board of Directors, within 3 months after establishment, shall file a certified copy of the agency agreement and a list of the municipalities which have adopted the agreement with the recorder of the county in which the principal office is located. The recorder shall record this certified copy and list and shall immediately transmit the certified copy and list to the Secretary of State, together with his certificate of recordation. The Secretary of State shall file these documents and issue his certificate of approval over his signature and the Great Seal of the State. The Secretary of State shall make and keep a register of municipal natural gas agencies established under this Division.

C. Each municipality which becomes a member of the municipal natural gas agency shall appoint a representative to serve on the Board of Directors, which representative may be a member of the governing body of the municipality. Each appointment shall be made by the mayor, or president, subject to the confirmation of the governing body. The directors so appointed shall hold office for a term of 3 years, or until a

successor has been duly appointed and qualified, except that the directors first appointed shall determine by lot at their initial meeting the respective directors which shall serve for a term of one, 2 or 3 years from the date of that meeting. A vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment.

The Board of Directors is the corporate authority of the municipal natural gas agency and shall exercise all the powers and manage and control all of the affairs and property of the agency. The Board of Directors shall have full power to pass all necessary ordinances, resolutions, rules and regulations for the proper management and conduct of the business of the board, and for carrying into effect the objects for which the agency was established.

At the initial meeting of the Board of Directors to be held within 30 days after the date of establishment of the municipal natural gas agency ~~and at the first meeting of each fiscal year thereafter~~, the directors shall elect from their members a presiding officer to preside over the meetings of the Board of Directors ~~president~~ and an alternate presiding officer ~~vice president~~ and may elect an executive board. The Board of Directors shall determine and designate in the agency's bylaws the titles for the presiding officers. The directors shall also elect a secretary and treasurer, who need not be directors. The board may select such other officers, employees and agents as deemed to be necessary, who need not be directors or residents

of any of the municipalities which are members of the municipal natural gas agency. The board may designate appropriate titles for all other officers, employees, and agents. All persons selected by the board shall hold their respective offices during the pleasure of the board, and give such bond as may be required by the board.

D. The bylaws of the municipal natural gas agency, and any amendments thereto, shall be adopted by the Board of Directors by a majority vote (adjusted for weighted voting, if provided in the Agency Agreement) to provide the following:

- (1) the conditions and obligations of membership, if any;
- (2) the manner and time of calling regular and special meetings of the Board of Directors;
- (3) the procedural rules of the Board of Directors;
- (4) the composition, powers and responsibilities of any committee or executive board;
- (5) the rights and obligations of new members, and the disposition of rights and obligations upon termination of membership; and
- (6) such other rules or provisions for regulating the affairs of the municipal natural gas agency as the board shall determine to be necessary.

E. Every municipal natural gas agency shall maintain an office in the State of Illinois to be known as its principal office. When a municipal natural gas agency desires to change the location of such office, it shall file with the Secretary

of State a certificate of change of location, stating the new address and the effective date of change. Meetings of the Board of Directors may be held at any place within the State of Illinois, designated by the Board of Directors, after notice. Unless otherwise provided by the bylaws, an act of the majority of the directors present at a meeting at which a quorum is present is the act of the Board of Directors.

F. The Board of Directors shall hold at least one meeting each year for the election of officers and for the transaction of any other business. Special meetings of the Board of Directors may be called for any purpose upon written request to the presiding officer of the Board of Directors ~~president~~ or secretary to call the meeting. Such officer shall give notice of the meeting to be held not less than 10 days and not more than 60 days after receipt of such request. Unless the bylaws provide for a different percentage, a quorum for a meeting of the Board of Directors is a majority of all members then in office. All meetings of the board shall be held in compliance with the provisions of the Open Meetings Act.

G. The agency agreement may be amended as proposed at any meeting of the Board of Directors for which notice, stating the purpose, shall be given to each director and, unless the bylaws prescribe otherwise, such amendment shall become effective when ratified by ordinances adopted by a majority of the governing bodies of the member municipalities. Each amendment, duly certified, shall be recorded and filed in the same manner

as for the original agreement.

H. Each member municipality shall have full power and authority, subject to the provisions of its charter and laws regarding local finance, to appropriate money for the payment of the expenses of the municipal natural gas agency and of its representative in exercising its functions as a member of the municipal natural gas agency.

I. Any additional municipality which operates a natural gas plant or system may join the municipal natural gas agency, or any member municipality may withdraw therefrom upon the approval by ordinance adopted by the governing body of the majority of the municipalities which are then members of the municipal natural gas agency. Any new member shall agree to assume its proportionate share of the outstanding obligations of the municipal natural gas agency and any member permitted to withdraw shall remain obligated to make payments under any outstanding contract or agreement with the municipal natural gas agency. Any such change in membership shall be recorded and filed in the same manner as for the original agreement.

J. Any 2 or more municipal natural gas agencies organized pursuant to this Division may consolidate to form a new municipal natural gas agency when approved by ordinance adopted by the governing body of each municipality which is a member of the respective municipal natural gas agency and by the execution of an agency agreement as provided in this Section.

(Source: P.A. 84-1221.)