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VILLAGE OF BRADLEY SUES KANKAKEE ALLEGING MISUSE OF FUNDS, INAPPROPRIATE INTERFERENCE WITH OPERATIONS AT KRMA WASTEWATER TREATMENT FACILITY

BRADLEY, IL—Today, the Village of Bradley filed suit in the Circuit Court of Kankakee County against the City of Kankakee for breach of the Intergovernmental Agreement entered into nearly 30 years ago by four member municipalities—Kankakee, Bradley, Bourbonnais and Aroma Park. These four municipal units govern the operation of the Kankakee River Metropolitan Authority (KRMA). The Village of Bradley seeks to prevent the continued abuse of the "supermajority" position by the City of Kankakee on the KRMA Board, including its collection and retention of funds due and owing to KRMA for Kankakee's own financial benefit.

Additionally, Bradley seeks to prevent Kankakee from using its control of the KRMA Board to proceed with an unnecessary expansion of KRMA's wastewater treatment facility at an estimated cost of between \$58-\$155 million, which is projected to at least double and possibly triple local taxpayers' sewer bills.

In January 2024, Kankakee leveraged its supermajority status and secured a necessary additional vote from Bourbonnais to authorize an expansion of the KRMA facility and related funding. The Villages of Bradley and Aroma Park each voted against the measure.

The KRMA facility, which is located adjacent to and discharges directly into the Kankakee River, processes residential and commercial wastewater and is jointly funded by sewer charges from Kankakee, Bradley, Bourbonnais and Aroma Park. The KRMA Board has seven appointed directors—Kankakee appoints four directors, while the other municipalities appoint just one director each.

In May 2023, Kankakee's four appointees approved KRMA's expenditure of \$286,000 to have Strand Associates prepare a report which ultimately suggested that the KRMA facility was operating at or near full capacity, and recommend that KRMA proceed with an expansion of the facility, rejecting the option to implement a pre-treatment solution by



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significant industrial users (SIUs) who generate the most toxic wastewater on the basis that it would take too much time to implement.

In October 2023, Bradley officials engaged the national civil engineering firm of Kimley-Horn to conduct an independent analysis of the operational status of the KRMA facility. Kimley-Horn found that the capacity issues identified by Strand stem primarily from Kankakee's practice of allowing unauthorized SIUs to send untreated wastewater to the KRMA facility, regularly overburdening its operations. The Kimley-Horn report further determined that, if Kankakee ceased its undue interference in the KRMA facility's operations, specifically allowing for the enforcement of the SIUs' wastewater pretreatment obligations, the expansion would not be necessary.

Today's legal action is prompted by what Bradley has learned from both the Kimley-Horn report and records involuntarily disclosed by Kankakee through a Freedom of Information Act request. The Kimley-Horn report and Kankakee's own records confirm its persistent and ongoing misuse of funds and inappropriate interference in KRMA's operations, including:

- Unauthorized issuance of facility user permits to SIUs by Kankakee's Environmental Services Utility, as well as unauthorized issuance of KRMA permits, both without a required vote of approval by the KRMA board.
- Failure to enforce pre-treatment obligations of SIUs that hold unauthorized permits, while imposing and collecting fees and fines related to flow charges and pretreatment costs for the untreated industrial wastewater.
- Misappropriation of funds by directing monies collected from SIUs to Kankakee's coffers rather than to KRMA to support operations and maintenance of the KRMA facility, as is required by the Intergovernmental Agreement.
- Authorizing and directing Kankakee's Environmental Services Utility to provide laboratory services to KRMA without seeking bids, without a vote of the KRMA Board and without a written contract—a clear conflict of interest.

"KRMA was created to be an environmentally responsible and sustainable way to ensure adequate water and sewer infrastructure for both homeowners and businesses, while protecting the vitality of the Kankakee River, one of the cleanest rivers in the Midwest," said Village of Bradley Mayor Mike Watson. "However, we also have an obligation to be fiscally responsible stewards of taxpayer dollars in the operation of KRMA. What we have discovered when it comes to KRMA is an abuse of power by the City of Kankakee, plain and simple."



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Watson emphasizes that the Village of Bradley's efforts to resolve this matter outside of the legal system were rejected, ignored and ridiculed by the City of Kankakee and its representatives. For example, Kankakee Mayor Christopher Curtis used his position as KRMA Board Chair and Kankakee's supermajority status to prevent the findings from the Kimley-Horn report from being presented or discussed by the KRMA Board at its public meetings. Further, the City of Kankakee has refused to engage in discussions with the

Village of Bradley to address Bradley's concerns. Kankakee representatives have also attempted to intimidate the Village of Bradley with public comments at KRMA Board meetings, such as "How long are we going to let the tail wag the dog?" or "How long are we going to be stuck on stupid?"—even going so far as to threaten, "We will address this at the next Bradley election."

This is not the first time that KRMA has come under scrutiny for misuse of funds and questionable operational practices. In 2021, the former executive director of KRMA Richard Sims was sentenced to nine months of imprisonment and 24 months of home confinement for theft of federal funds and defrauding KRMA and the City of Kankakee Environmental Services Utility of more than \$2,000,000. Sims was hired by Kankakee using its supermajority on the KRMA Board.

The City of Kankakee, by keeping these "in lieu of pretreatment" funds, is continuing this practice of defrauding KRMA and its other municipal partners. "While we would have preferred to address this matter without legal action, we welcome the transparency and accountability of the court's public consideration of the issues surrounding Kankakee's inappropriate actions relative to the finances and operations of KRMA," said Watson.

Bradley's lawsuit also seeks both a full accounting of and repayment to KRMA of funds that Kankakee has wrongly directed to its coffers over the past 10 years, which, in total, is estimated to exceed \$10 million. It also seeks a court order that Kankakee cease its unauthorized issuance of permits to and direct billing of SIUs, and termination of the vendor relationship between the Kankakee ESU laboratory services and KRMA.

For a full copy of the Village of Bradley's complaint, please click <u>Complaint-against-Kankakee-Filed.pdf</u> (bradleyil.org)