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2014 IL App (4th) 130851-U

NO. 4-13-0851

IN THE APPELLATE COURT

OF ILLINOIS

FOURTH DISTRICT

FILED
August 5, 2014
Carla Bender
4th District Appellate
Court, IL

THE CITY OF VIRGINIA, an Illinois Municipal Corporation,	)	Appeal from
	)	Circuit Court of
Plaintiff-Appellant and	)	Cass County
Cross-Appellee,	)	No. 10L5
v.	)	
THE VILLAGE OF CHANDLERVILLE,	)	Honorable
Defendant-Appellee.	)	Scott J. Butler,
	)	Judge Presiding.

JUSTICE HOLDER WHITE delivered the judgment of the court.
Presiding Justice Appleton and Justice Steigmann concurred in the judgment.

ORDER

¶ 1 *Held*: The appellate court affirmed, concluding the alleged agreement between Virginia and Chandlerville was void *ab initio* for exceeding a municipality's statutory 40-year limitation on water-supply contracts.

¶ 2 In November 2004, the Village of Chandlerville (Chandlerville) entered into a contract for the supply of water with the Cass Rural Water District (CRWD), where CRWD would act as a conduit for supplying water between Chandlerville and the City of Virginia (Virginia). In September 2005, Virginia entered into a similar contract with CRWD, agreeing to sell water to CRWD with the purpose of CRWD supplying that water to Chandlerville. In May 2008, while Virginia was constructing a new water-treatment facility in anticipation of supplying water to various entities, including Chandlerville, Chandlerville stated it no longer intended to purchase water through CRWD and Virginia due to the unreasonableness of the water rates. CRWD later assigned to Virginia its interest in its contract with Chandlerville. In February

2013, Virginia filed a second amended complaint, alleging (1) Chandlerville breached an implied-in-fact contract, (2) promissory estoppel, and (3) breach of the assigned contract. In May 2013, Chandlerville filed a motion to dismiss under sections 2-606, 2-615, and 2-619 of the Code of Civil Procedure (Civil Code) (735 ILCS 5/2-606, 2-615, 2-619 (West 2012)). In December 2013, the trial court granted Chandlerville's motion to dismiss.

¶ 3 Virginia appeals, asserting the trial court erred by (1) dismissing counts I and II pursuant to section 2-615 of the Civil Code for failure to state a cause of action, (2) finding counts I and II were time-barred under section 8-101(a) of the Local Governmental and Governmental Employees Tort Immunity Act (Tort Immunity Act) (745 ILCS 10/8-101(a) (West 2012)), and (3) dismissing count III after determining the contract was not validly assigned to Virginia. Chandlerville filed a cross-appeal, contending (1) the contract between it and CRWD was void *ab initio* because it exceeded the 40-year statutory term and (2) CRWD's assignment of the contract to Virginia was not supported by adequate consideration. For the following reasons, we affirm.

¶ 4 I. BACKGROUND

¶ 5 In November 2004, Chandlerville and CRWD entered into a contract in which CRWD agreed to furnish Chandlerville with up to 100,000 gallons of potable treated water per day (Chandlerville Contract). To fulfill the agreement, CRWD intended to purchase water from Virginia and resell it to Chandlerville. Virginia, in turn, would construct a new water-treatment facility to provide sufficient capacity to meet the needs of Chandlerville and the Village of Ashland residents. Specifically, the Chandlerville Contract stated (1) Virginia would complete construction of the water-treatment facility "within a reasonable time period"; and (2) "[a]ssuming progress with contract negotiations between governmental entities, easement and

property acquisition, design, review, and permitting, environmental clearances, construction, and obtaining sufficient funding, [Virginia] feels that a [five] year time period is a reasonable estimate of the project completion date at this time." In exchange, Chandlerville would pay a premium to both CRWD and Virginia for use of the water, as well as repay a portion of the debt associated with Virginia's upgrades. Subsection (C)(1) of the Chandlerville Contract stated "this contract shall extend for a term of forty (40) years from the date of the initial delivery of any water as shown by the first bill submitted." Chandlerville's president signed the contract as a representative of the municipality.

¶ 6 In September 2005, Virginia entered into a similar contract with CRWD (Virginia Contract). In this contract, Virginia was obligated to sell 60,000 gallons of water per day to CRWD, subsequent to the completion of the water-treatment facility. The Virginia Contract contained the same provisions regarding the projected 5-year construction followed by 40 years of water supply.

¶ 7 In May 2008, after receiving an updated, higher estimate for water costs, Chandlerville wrote a letter to CRWD indicating it no longer intended to proceed with the contract because the newly proposed rates exceeded "reasonable and customary" water rates in Illinois. In 2010, based on Chandlerville's withdrawal from the water project, Virginia filed a complaint against Chandlerville. The complaint alleged that, following Chandlerville's execution of the 2004 contract, Virginia contracted for the design and construction of the necessary water-treatment facility. CRWD then provided Chandlerville with the estimated costs for which it would be responsible. The complaint alleged Chandlerville did not reject those costs within 90 days, as required by the contract; thus, Virginia assumed Chandlerville accepted the costs. Virginia then proceeded with building the water-treatment facility. Rather than

performing the contract, however, Chandlerville, "approximately five years later," expressed its intention to abandon the project. Virginia asserted it incurred substantial costs attributable to Chandlerville's abandonment of the Chandlerville Contract and asked the trial court to enter judgment against Chandlerville in the amount of approximately $406,000.

¶ 8 In February 2011, Chandlerville filed a motion to dismiss pursuant to section 2-615 of the Civil Code (735 ILCS 5/2-615 (West 2010)). In the motion, Chandlerville argued it had no obligation to Virginia because Virginia was not a party to the contract. Chandlerville also asserted the complaint failed to state a cause of action because Virginia did not allege facts to support a claim that Chandlerville and Virginia entered into any agreement. In September 2011, the trial court granted the motion to dismiss without prejudice and gave Virginia 45 days to file an amended complaint.

¶ 9 In December 2011, Virginia filed an amended complaint, alleging Chandlerville breached its implied contract with Virginia and that Virginia detrimentally relied on the implied promise. In April 2012, Chandlerville filed a motion to dismiss the amended complaint under sections 2-615 and 2-619 of the Civil Code (735 ILCS 5/2-615, 2-619 (West 2012)). Under section 2-615, Chandlerville asserted (1) the amended complaint failed to state a cause of action and (2) Virginia failed to attach necessary documents in violation of section 2-606 (735 ILCS 5/2-606 (West 2012)). Under section 2-619, Chandlerville argued (1) the claim was unenforceable under the statute of frauds and (2) the one-year statute of limitations had run out under section 8-101(a) of the Tort Immunity Act (745 ILCS 10/8-101(a) (West 2012)). In December 2012, the trial court took the matter under advisement. Days later, CRWD assigned to Virginia its interest in the Chandlerville Contract.

¶ 10 Later that month, prior to the trial court issuing its ruling on Chandlerville's motion to dismiss Virginia's amended complaint, Virginia filed a motion for leave to amend its complaint for a second time. In January 2013, the court granted Virginia's motion.

¶ 11 In February 2013, Virginia filed its second amended complaint. The complaint alleged (1) Chandlerville breached its implied-in-fact contract with Virginia by failing to fulfill its implied agreement to participate in the joint-water project (count I); (2) Chandlerville should be subject to promissory estoppel because it "knew or should have known Virginia relied on its representations of willingness and desire to participate in the project," thus causing Virginia to detrimentally rely upon Chandlerville's representations (count II); and (3) CRWD assigned the Chandlerville Contract to Virginia, which allowed Virginia to pursue a claim for breach of a written contract against Chandlerville (count III).

¶ 12 In May 2013, Chandlerville filed a motion to dismiss the second amended complaint pursuant to sections 2-606, 2-615, and 2-619 of the Civil Code (735 ILCS 5/2-606, 2-615, 2-619 (West 2012)). As to counts I and II, under section 2-615, Chandlerville asserted Virginia's complaint failed to state a cause of action. Moreover, Chandlerville argued Virginia failed to attach the appropriate documents to establish an implied contract as required by section 2-606. Finally, Chandlerville contended counts I and II should be dismissed pursuant to section 2-619 because (1) the alleged agreement between the parties did not satisfy the statute of frauds (735 ILCS 5/2-619(7) (West 2012)); (2) Virginia failed to file its initial complaint before the expiration of the statute of limitations under section 8-101(a) of the Tort Immunity Act (745 ILCS 10/8-101(a) (West 2012)); and (3) the contract between CRWD and Chandlerville was void *ab initio*, as Chandlerville lacked the statutory authority to enter into a water-supply agreement exceeding 40 years (65 ILCS 5/11-124-1(a) (West 2012)). As to count III,

Chandlerville alleged Virginia failed to state a cause of action under section 2-615 because the Chandlerville Contract was not properly assigned to Virginia. Further, Chandlerville asserted the contract was void *ab initio* for exceeding the statutory 40-year limitation on water-supply contracts.

¶ 13 In September 2013, the trial court granted Chandlerville's motion to dismiss and, in doing so, made the following findings. First, the court dismissed count I (implied-in-fact contract) and count II (promissory estoppel), finding (1) Virginia did not plead sufficient facts to demonstrate the parties had a quasi-contract; (2) the complaint was for money damages "sounding in tort and for which Virginia seeks no contractual remedies," claims which Virginia failed to preserve under the Tort Immunity Act by filing its initial complaint within one year; (3) Virginia was not a party to the original contract and, therefore, could not "base its claim that it is a beneficiary of the contractual rights *** by reason of promissory estoppel"; and (4) Virginia failed to demonstrate "that Chandlerville intended to be bound to Virginia pursuant to a contractual relationship for the purchase of water." Second, the court dismissed count III, finding Virginia failed to demonstrate Chandlerville approved CRWD's assignment of the Chandlerville Contract to Virginia. Though dismissing count III on other grounds, the court determined the assigned contract was not void for exceeding the 40-year limitation on water-supply contracts.

¶ 14 This appeal followed.

¶ 15 II. ANALYSIS

¶ 16 On appeal, Virginia asserts the trial court erred by (1) dismissing counts I and II pursuant to section 2-615 of the Civil Code for failure to state a cause of action, (2) finding counts I and II were barred under the Tort Immunity Act, (3) dismissing count III after

determining the contract was not validly assigned to Virginia. Chandlerville's cross-appeal contends (1) the contract between it and CRWD was void *ab initio* because it exceeded the 40-year statutory term and (2) CRWD's assignment of the contract to Virginia was not supported by adequate consideration. Initially, we note Chandlerville does not have standing to cross-appeal, as it prevailed in the trial court. See *People ex rel. Hartigan v. Knecht Services, Inc.*, 216 Ill. App. 3d 843, 852-53, 575 N.E.2d 1378, 1384 (1991) (appellate courts review judgments, not reasoning; thus a cross-appeal is not necessary where the appellee prevailed in trial court). However, we can consider Chandlerville's arguments insofar as those arguments provide appropriate reasons for why we should affirm the trial court's judgment. See *Jandeska v. Prairie International Trucks, Inc.*, 383 Ill. App. 3d 396, 398, 893 N.E.2d 673, 675 (2008) (the reviewing court may affirm on any basis contained in the record). Thus, because we agree with Chandlerville that the contract was void *ab initio*, we begin our analysis with this issue.

¶ 17 The trial court dismissed Virginia's second amended complaint under both sections 2-615 and 2-619 of the Civil Code (735 ILCS 5/2-615, 2-619 (West 2012)). In both instances, we apply a *de novo* standard of review. See *Reynolds v. Jimmy John's Enterprises, LLC*, 2013 IL App (4th) 120139, ¶¶ 25, 31, 988 N.E.2d 984. A motion to dismiss under section 2-615 "tests the legal sufficiency of the complaint based on defects apparent on its face." *Id.* ¶ 25, 988 N.E.2d 984. In other words, a section 2-615 motion to dismiss for failure to state a cause of action "presents the question of whether the facts alleged in the complaint, viewed in the light most favorable to the plaintiff, and taking all well-pleaded facts and all reasonable inferences that may be drawn from those facts as true, are sufficient to state a cause of action upon which relief may be granted." *Id.* Conversely, a section 2-619 motion to dismiss "admits the legal sufficiency of the complaint, admits all well-pleaded facts and all reasonable inferences

therefrom, and asserts an affirmative matter outside the complaint bars or defeats the cause of action." *Id.* ¶ 31, 988 N.E.2d 984.

¶ 18 In its brief, Chandlerville asserts the contract it entered into with CRWD was void *ab initio* for exceeding the 40-year limitation set forth in section 11-124-1(a) of the Illinois Municipal Code (Municipal Code) (65 ILCS 5/11-124-1(a) (West 2004)) and section 11 of the Public Water District Act (Water Act) (70 ILCS 3705/11 (West 2004)); thus, any alleged agreement between Virginia and Chandlerville based on the Chandlerville Contract was void and unenforceable. The trial court, after briefly stating it did not find the contract void due to the differences between the Municipal Code and the Water Act, went on to dismiss Virginia's second amended complaint on other grounds. Virginia did not respond to this argument in its reply brief.

¶ 19 Section 11 of the Water Act provides, "[n]o continuing contract for the purchase of materials or supplies (including a contract for a supply of water) or furnishing the district with energy or power for pumping or for the supply of water to any city, village or incorporated town, shall be entered into for a longer period than 40 years." 70 ILCS 3705/11 (West 2004). Similarly, section 11-124-1(a) of the Municipal Code states, a water-supply contract "shall be a continuing valid and binding obligation of the municipality payable from the revenues derived from the operation of the waterworks system of the municipality for the period of years, not to exceed 40, as may be provided in such contract." 65 ILCS 5/11-124-1(a) (West 2004)).

¶ 20 Here, the Chandlerville Contract contains similar language as that contained in the Virginia Contract. Specifically, both contracts state Virginia would construct a new water-treatment facility "within a reasonable time period" that Virginia projected to take five years. The contracts then both provide, "this contract shall extend for a term of forty (40) years from

the date of the initial delivery of any water as shown by the first bill submitted." Thus, we turn to Virginia's contractual claims to determine whether the contract was void *ab initio* such that the trial court did not err in dismissing the second amended complaint.

¶ 21 A. Implied-in-Fact Contract and Promissory-Estoppel Claims

¶ 22 We first examine whether Virginia's implied-in-fact contract (count I) and promissory-estoppel (count II) claims fail to state a cause of action because the alleged agreement with Chandlerville was void *ab initio*. To do this, we must determine whether the alleged agreement exceeded 40 years and, if so, whether that rendered the contract void.

¶ 23 1. *Did the Agreement Exceed 40 Years?*

¶ 24 Virginia directs us to the parties' contracts with CRWD as memorializing the implied agreement between Virginia and Chandlerville. In asserting to the trial court that the agreement between the parties did not exceed 40 years, Virginia essentially argued the court should interpret the contract as containing two separate parts: an agreement for (1) Chandlerville to partially reimburse Virginia for expenses Virginia incurred in building a new water-treatment facility, and (2) Virginia to supply water to Chandlerville. By that reasoning, Chandlerville's agreement to partially reimburse Virginia for its expenses would not be triggered until Virginia completed the construction and stood prepared to deliver water, which means the contract would endure for only 40 years. We disagree.

¶ 25 Absent evidence to the contrary, a contract is considered effective on the date on the contract. *Asset Recovery Contracting, LLC v. Walsh Construction Co. of Illinois*, 2012 IL App (1st) 101226, ¶ 62, 980 N.E.2d 708. Chandlerville entered into its contract with CRWD in 2004. Because the contract provides no evidence to the contrary, we conclude the Chandlerville Contract that Virginia relies upon as creating an implied contract was effective in 2004, prior to

the completion of Virginia's water-treatment facility. The express language of the Chandlerville Contract, which Virginia highlights as the representation of its implied agreement with Chandlerville, exceeds 40 years, as the 40-year water-delivery provision could not commence until Virginia finished its 5-year construction. As Chandlerville argues, to conclude otherwise would allow Virginia to assert both that (1) an agreement existed between the parties in 2004 in which Chandlerville agreed to partially reimburse Virginia for expenses Virginia incurred while constructing a new water-treatment facility, and (2) the parties' did *not* have an agreement until after Virginia completed the construction of the water-treatment facility. The parties could not both have entered and not entered into the 2004 agreement, so we conclude Virginia's reasoning is unpersuasive.

¶ 26 Because the express terms of the contracts exceed the statutory provisions of section 11-124-1(a) of the Municipal Code (65 ILCS 5/11-124-1(a) (West 2004)) and section 11 of the Water Act (70 ILCS 3705/11 (West 2004)), our next inquiry is whether the alleged agreement between Virginia and Chandlerville is void *ab initio* such that Virginia cannot state a valid cause of action.

¶ 27 2. *Is the Contract Void?*

¶ 28 One who does business with a municipality is charged with knowing the extent of the municipality's statutory authority to contract. *Ad-Ex, Inc. v. City of Chicago*, 207 Ill. App. 3d 163, 169, 565 N.E.2d 669, 673 (1990). "Municipalities are limited to only those powers which are given to them by constitution and statute, and a municipality cannot be bound by a contract that does not comply with the prescribed conditions for the exercise of its power." *Id.* The rule of strict construction governs statutes granting powers to municipal corporations. *Avery v. City*

of Chicago, 345 Ill. 640, 649, 178 N.E. 351, 354 (1931) (holding a trash-removal ordinance does not apply to the removal of dead animals).

¶ 29 "Counties and municipalities which are not home rule units shall have only powers granted to them by law and the powers[.]" Ill. Const. 1970, art. VII, § 7. Contracts entered into by a municipality that are expressly prohibited by law are void *ab initio*. *Diversified Computer Services, Inc. v. Town of York*, 104 Ill. App. 3d 852, 858, 433 N.E.2d 726, 731 (1982) (quoting *Stahelin v. Board of Education, School District No. 4, DuPage County, Illinois*, 87 Ill. App. 2d 28, 41-42, 230 N.E.2d 465, 472 (1967)). However, where the municipality has the authority to enter into the contract, but a portion thereof may be beyond its power or the power may have been irregularly exercised, that contract is not void if the result would give the municipality an unconscionable advantage over the other party. *Id.* "Although a municipality may not avoid enforcement of a contract based on some irregularity in the formation of the contract if it has otherwise properly entered into the contract and the other party has substantially performed its obligations, it is equally true that a contract entered into without authority is *ultra vires* and void." *Elk Grove Township Rural Fire Protection District v. Village of Mount Prospect*, 228 Ill. App. 3d 228, 234, 592 N.E.2d 549, 552-53 (1992). "Compliance with a charter or statutory requirements which are merely directory, or do not involve the right or power of the city to make the contract, or which relate merely to questions of procedure, is not essential to the validity of a municipal contract." *Ad-Ex*, 207 Ill. App. 3d at 169, 565 N.E.2d at 673.

¶ 30 In this case, the Municipal Code states a contract for a water supply is "not to exceed 40" years. 65 ILCS 5/11-124-1(a) (West 2004). The Water Act similarly provides no contracts for the supply of water "shall be entered into for a longer period than 40 years." 70 ILCS 3705/11 (West 2004). The issue of whether the contract is void turns on Chandlerville's

statutory authority to enter into a contract exceeding 40 years. Although we were unable to find any cases directly on point, numerous Illinois cases provide us with guidance.

¶ 31 For example, when a municipality enters into a contract without prior appropriation, that contract is deemed void and unenforceable, as the appropriation "is a condition precedent to the expenditure of town funds and therefore to the validity of the contract in issue." *Diversified Computer Services,* 104 Ill. App. 3d at 858, 433 N.E.2d at 731; see also *Kinzer v. City of Chicago*, 128 Ill. 2d 437, 444, 539 N.E.2d 1216, 1219 (1989); *DeKam v. City of Streator*, 316 Ill. 123, 132, 146 N.E. 550, 553 (1925). Though the parties in this case were not required to seek prior appropriations, as the Municipal Code specifically exempts the necessity of a prior appropriation for a water-supply contract (65 ILCS 5/1-124-1(a) (West 2004)), these cases demonstrate the type of condition precedent that renders a contract void. Similarly, a municipality's employment contracts are void *ab initio* where the term of employment exceeds the term of the municipality's officers in violation of the Municipal Code. *Grassini v. Du Page Township*, 279 Ill. App. 3d 614, 620, 665 N.E.2d 860, 864-65 (1996); *Cannizzo v. Berwyn Township 708 Community Mental Health Board*, 318 Ill. App. 3d 478, 487, 741 N.E.2d 1067, 1074 (2000); *Village of Oak Lawn v. Faber*, 378 Ill. App. 3d 458, 477, 880 N.E.2d 659, 675 (2007) (noting an employment contract may slightly exceed the term of the municipality's officers to bridge the transitional period as new members take office where the employee is otherwise terminable at will). The municipal-employment cases highlight those instances in which the municipality has the general authority to enter into a contract, but where the municipality exceeds that general authority by failing to comply with the appropriate statute, the contract is void. This is analogous to the present case, where we are presented with the question

of whether Chandlerville exceeded its general authority to contract by overlooking the relevant statutory provisions in forming that contract.

¶ 32 Additionally, a municipality's settlement agreement that includes rezoning is void where the municipality fails to follow its own notice and hearing requirements. *Ad-Ex*, 207 Ill. App. 3d at 181, 565 N.E.2d at 681; *Martin v. City of Greenville*, 54 Ill. App. 3d 42, 45, 369 N.E.2d 543, 545 (1977). However, a settlement agreement is not necessarily void where the public received notice outside of the statutorily mandated notice, which constitutes an irregularity in procedure rather than a lack of authority to enter into the contract. *Branigar v. Village of Riverdale*, 396 Ill. 534, 546, 72 N.E.2d 201, 207 (1947). These cases demonstrate the degree to which a municipality is required to conform to statutes in establishing its authority to enter into contracts.

¶ 33 In *Elk Grove Township*, the Village of Mount Prospect agreed to provide its own fire-protection services in exchange for the fire district's agreement to levy taxes at the maximum amount permitted by law. *Elk Grove Township*, 228 Ill. App. 3d at 230, 592 N.E.2d at 550. While the appellate court held the Village of Mount Prospect had the authority to enter into such a contract and to levy taxes, it lacked the authority to agree to levying taxes for possible future needs, thus rendering the contract void. *Id.* at 232, 592 N.E.2d at 551-52.

¶ 34 Our analysis of the aforementioned cases leads us to conclude the alleged implied agreement between Chandlerville and Virginia was void *ab initio*. Here, under the Municipal Code and Water Act, Chandlerville clearly had the authority to enter into a contract for water supplies. See 65 ILCS 5/11-124-1(a) (West 2004), 70 ILCS 3705/11 (West 2004). However, its authority to contract did not extend beyond the 40-year limitation set forth by those same statutes. The language in both statutes expressly prohibits contracts exceeding 40 years. See 65

ILCS 5/11-124-1(a) (West 2004); 70 ILCS 3705/11 (West 2004). This case does not present an example of an irregularity in the municipality's procedures, as demonstrated by *Branigar*. Rather, it is a condition precedent to the creation of a valid contract that the terms may not exceed 40 years, similar to the reasoning set forth in the myriad of appropriation and employment cases outlined above. In those aforementioned cases, the municipalities had the general authority to enter into the various employment contracts and settlement agreements; however, that authority was limited as provided by statute. Chandlerville had the general authority to enter into a contract for the supply of water. Nevertheless, Chandlerville's authority to enter into a water-supply contract was limited by the statutory provisions set forth in both the Water Act and Municipal Code. Where Chandlerville lacked the authority to enter into a 40-year agreement, that agreement must be deemed void. "A contract which violates a valid statute is void. There is no exception to this rule, for the reason that the law cannot enforce a contract which it prohibits." *Sibley v. Health & Hospitals' Governing Comm'n of Cook County*, 22 Ill. App. 3d 632, 637, 317 N.E.2d 642, 646 (1974).

¶ 35 Even assuming, *arguendo*, we found Chandlerville intended to be obligated to Virginia, Virginia's implied-in-fact contract and promissory-estoppel claims must fail because the alleged agreement was void *ab initio*, hence relieving Chandlerville of any obligation under the contract. At oral argument, for the first time, Virginia suggested the remedy in this situation, rather than to find the contract void *ab initio*, would be to impose a 40-year limit on the entirety of the contract, encompassing both the construction phase and the water-delivery phase. However, because Virginia failed to raise this argument before the trial court and in its appellate brief, we deem the argument forfeited and will not consider it.

¶ 36 Thus, we conclude the alleged agreement between Chandlerville and Virginia to be void *ab initio* for exceeding the municipalities' statutory authority to enter into water-supply agreements of 40 years or less. Accordingly, we affirm the trial court's dismissal of counts I and II. We now turn to Virginia's claim based on the assignment of CRWD's interest in the Chandlerville Contract (count III).

¶ 37 B. Assignment Claims

¶ 38 We next address whether CRWD's assignment of the Chandlerville Contract to Virginia is also void for expressly exceeding the 40-year requirement. For the same reasons set forth above, we conclude the contract was void *ab initio* because Chandlerville lacked the authority to enter into a contract exceeding the 40-year limitation set forth in the Municipal Code and Water Act.

¶ 39 Accordingly, while we disagree with the trial court's finding that the contract was valid, we affirm the court's overall decision to dismiss Virginia's second amended complaint. See *Jandeska*, 383 Ill. App. 3d at 398, 893 N.E.2d at 675 (we may affirm on any basis supported by the record). As such, we need not review the parties' remaining contentions on appeal.

¶ 40 III. CONCLUSION

¶ 41 For the foregoing reasons, we affirm the trial court's judgment.

¶ 42 Affirmed.