



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to Approve Wholesale Water Supply Agreement Between the City of St. Charles and Illinois American Water Company for River Grange Area
Presenter:	John Lamb

Please check appropriate box:

	Government Operations	X	Government Services 08.27.12
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	N/A	Budgeted:	YES		NO	
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If NO, please explain how item will be funded:

Executive Summary:

City staff was approached by Illinois American Water Inc. in 2011 about providing water and sanitary sewer service for the River Grange area. Illinois American Water is a private utility currently providing service to the area. The area is outside City limits north of the Reserves subdivision and is contiguous with the City boundary.

In October 2011 the Committee approved a Utility Services Policy for areas outside the City requesting services. The River Grange area meets the conditions of the policy therefore City staff drafted a services agreement. This has been reviewed by the City attorney. Illinois American Water has reviewed the agreement and offered comments. We anticipate the agreement to be in final form by the committee meeting. This agreement is for water supply purposes only. Main points, conditions of the agreement include:

1. The City is not responsible for maintaining any infrastructure in the River Grange area.
2. Illinois American Water will pay for all improvements related to connecting to City services.
3. The City will bill Illinois American Water current ordinance water rates plus a 40% surcharge. This applies to connection fees, user charges and volume usage fees. Billing will occur on a monthly basis.
4. The City will receive a connection fee of \$43,470.00 based on the current twenty-three homes.
5. Monthly billing for user fees and usage will be approximately \$875.00 totaling \$10,500 annually.
6. The initial term of the agreement is twenty (20) years with successive five (5) year terms.

This agreement provides a revenue stream for the water fund and minimum expense for the City.

Attachments: *(please list)*

Water Services Agreement (to be provided at meeting)

Recommendation / Suggested Action *(briefly explain):*

Recommend approval of the Water Supply Agreement Between the City of St. Charles and Illinois American Water Company for River Grange Area and a Resolution authorizing the Mayor and City Clerk to execute same.

For office use only:

Agenda Item Number: 6.a