

## **Staff Responses to Council Questions**

### **February 2, 2015**

#### **7. First Reading**

##### **A. Ordinance: Authorize the Village of Downers Grove to Borrow Funds from the Public Water Supply Loan Program of the Illinois Environmental Protection Agency**

*Insofar as domestic water service is funded entirely through an enterprise fund as a pure utility, it is correct to conclude that all interest expense saved through borrowing from the IEPA rather than the bond market will be directly linked to lower water rates for village residents?*

Any savings through the IEPA loan results in lower costs of operating the water utility, which in turn results in lower water rates.

*In other words, is it correct that choosing the IEPA loan program will impact water rates and will not impact other village funds?*

The IEPA loan program will only impact the Water Fund.

*Somewhat related, have the DuPage Water Commission (DWC) "wholesale" rates been finalized and what impact will the apparent reduction in water costs have on the final water rates to be adopted by the village later this year?*

The DuPage Water Commission has not finalized its rates. The Village's 2016 Budget was prepared with the assumption that the Water Commission rates will increase by 4%. To the extent that the Water Commission rates vary from this assumption, the Village may adjust water rates accordingly. Staff expects the Water Commission to adjust their rates in May.

*Which projects will be completed with the proceeds of the loan?*

The 2016 Projects to be completed by the loan proceeds are Watermain replacements-annual element, CIP Project WA-028 in the amount of \$2.7 million. Following are the locations:

- Grant - Prince to Linscott
- Lincoln - Douglas to Fairview
- Indianapolis - Douglas to Fairview
- Florence - 75th to 77th
- Dunham - 63rd to Norfolk
- Webster - Valley View to Jay
- Jay - Webster to Lyman
- Lyman - Day to Valley View

#### **Non-Agenda Questions**

*Nelson Meadows*

*Given the condition - the half street deteriorating conditions - and drainage on Jefferson, if we were to look at it without the developer situations, would it be fair to say that we would have done some of the work already? Would it have made any construction season or list?*

Jefferson Avenue, between Dunham Road and Main Street, is included in the Village's 5-year street maintenance plan. Based on the condition of the street alone, maintenance would likely occur within the next year or two.

*When will we know for certain that the work promised will get done? When is the first date of pulling permits or construction needed in order to complete this year as promised? When do we know the developer will not be able to complete as promised? Could you share that timeline with the other Council members as well?*

The developer has not given a timeframe for the start of construction activities. Pursuant to the subdivision improvement agreement, the developer is required to complete the public improvements by November 2016. If construction has not commenced by mid-summer 2016, it is unlikely that the public improvements will be completed by the deadline.

## **ATTACHMENTS**

There are no online rEmarks.