



## Rochelle Municipal Utilities Water/Water Reclamation

To: Edward Carr

From: Kathy Cooper

Date: December 7, 2010

Re: Hillcrest Sewer Agreement

For many years, Rochelle and Hillcrest have been discussing an agreement for Rochelle to provide sanitary sewer service to the Village of Hillcrest. Many issues have been negotiated, with both sides making concessions so that an agreement can be reached. On October 26, 2009, the Hillcrest Sewer Agreement was presented to the Council as a discussion item. Among the issues addressed were:

1. Funding: The funding of the collection system and the connection to the Rochelle system is to be the responsibility of Hillcrest. Rochelle will cooperate with Hillcrest in the pursuit of any grants that may be available for the construction of a collection system. Also included in the agreement are provisions for recapture.
2. Construction of the Hillcrest System: Hillcrest must construct a collection system within the existing community within five years. Rochelle will provide for service for future development in Hillcrest.
3. Connection Fees: Hillcrest will pay a connection fee to Rochelle for all existing structures within the village. New construction in Hillcrest will pay connection fees to Rochelle at the same rate as Rochelle customers.
4. Sewer Use Charges: The rate is based upon a cost of service study, and is consistent with rates charged to Rochelle and Creston customers
5. Reporting Requirements: The agreement provides for an exchange of information between the communities so that treatment capacity can be assured to both communities.
6. Impact and Transition Fees: The impact and transition fees for Hillcrest are the same as Rochelle's, and will be updated every five years. They are enforceable by the school districts.
7. Boundary Agreement: The boundary agreement sets guidelines for the growth of both communities.

This conditional agreement is the result of many hours of work and negotiations in a good faith effort by both communities. With the available capacity in the Rochelle Treatment Plant, Rochelle can provide Hillcrest with a service that is more economical than they Village could do for itself. Hillcrest will be responsible for the collection system in the village, and both communities can continue to work together.