

TO: NORTHERN WILL COUNTY WATER AGENCY BOARD OF DIRECTORS

FROM:  JIM BOAN
WATER AGENCY ATTORNEY

DATE: April 23, 2013

RE: NORTHERN WILL COUNTY WATER AGENCY – FACT SHEET

Recently, Illinois American Water Company has been delivering flyers to homes in Lemont, Woodridge and Romeoville. These flyers are an attempt to create controversy about the Northern Will County Water Agency's court filings against American Lake Water Company (a wholly owned subsidiary of Illinois American Water Company). As has happened in the past, Illinois American Water's propaganda distorts the facts in hopes of causing a public outcry against the Water Agency.

These are the true facts:

1. The Water Agency is comprised of the Villages of Bolingbrook, Homer Glen, Lemont, Romeoville and Woodridge and was formed on 12/13/2011.
2. Expenses of the Agency are prorated between the Villages based on the number of Illinois American customers in each community. Current percentages are:

	<u>Percentage</u>	<u>Customers</u>
a. Bolingbrook	78.7%	23,000
b. Homer Glen	20.6%	6,000
c. Lemont	>0.1%	17
d. Romeoville	>0.1%	6
e. Woodridge	0.7%	200

Lemont, Romeoville and Woodridge are responsible for under 1% of the cost

3. The cost of acquiring the assets of American Lake Water Company will be financed by revenue bonds which are paid back by fees collected from the customers served by American Lake Water.

4. There will be no General Obligation Bonds used in the acquisition. Therefore, resident/customer will not pay anything to support the acquisition unless they are served by ALWC's pipeline.
5. All of Romeoville residents will stay on the Village's well system and all of Woodridge residents that are receiving water through the DuPage Water Commission, will continue to do so.
6. The Water Agency has no taxing authority. It is false to imply that the Water Agency could adopt a sales tax. There is no statutory authority for that. There is also no statutory authority for the Agency to levy a property tax. In fact, the Intergovernmental Agreement forming the Water Agency specifically states that the Agency will not levy or collect any real estate taxes.
7. There are generally accepted accounting principles used in evaluating utility companies. The Water Agency retained professional consultants to study and analyze ALWC's balance sheets, operations and assets. Each methodology produced a similar value. The Water Agency offered a fair market value to purchase the Lake Michigan "water pipeline" which IAWC has rejected thus requiring the filing of the condemnation lawsuit.
8. While the Lake Michigan water supply charge is small (\$6.01/1000gal.) it becomes a large number when multiplied by the number of users. There are currently 42,000 customers served by the ALWC pipeline. That means \$17,366,400.00 is generated annually.
9. The costs of Eminent Domain proceedings are expensive and lengthy but Illinois American bears much of the responsibility for this. The company never attempted to negotiate a purchase price and did not make a counter-offer to the \$37.6 million offer made by the Water Agency.
10. There are no secret meetings. All of the Water Agency meetings are open to the public and have been well covered by the local media. The next meeting will be June 10, 2013 at 11:00 a.m. in Romeoville.