

Email from Grand Prairie S.D. to Dawn Thompson dated September 1, 2009 regarding MCWRD Shodeen Excess Capacity Charge

FROM: Tim Kellogg
TO: Dawn Thompson
CC: Jeremy Lin
Subject GPSD Review

Please see attached fee computation used to calculate the expense shown in our submittal.

It appears that your \$17 million number is based upon the initial Residential connection fee back in 2006 and did not include any connection fees for Commercial. Fees must be increased 6.5% per year according to the agreement.

While totally hypothetical and not in accordance with Shodeen's terms, here is a calculation using fixed connection fees (the method that I believe that you were using):
Assuming no additional fee increase after 2010 (since this would be the earliest that the first connection could occur):
Residential (adjusted to 2010 Fee based upon required 6.5%/Yr increase): \$13,121.09/Dwelling Unit for 1675 DU
Commercial (adjusted to 2010 Fee based upon required 6.5%/Yr increase): \$45.03/GPD of wastewater for estimated 53,176 GPD
Total Charge in 2010 Fees: $(\$13,121.09/DU)(1675 DU) + (\$45.03/GPD)(53,176 GPD) = \underline{\$24,373,798}$ (for a total MCWRD expense of \$36,908,798)
I must emphasize that this isn't based upon the agreement and I don't want to confuse things with hypothetical numbers. It merely shows the large cost for MCWRD before incremental annual increases are even included.

Please confirm your receipt and let me know if you need any clarification as to the calculations in the attachment.

Take care,
Tim

From: Dawn Thompson [mailto:DThompson@cmap.illinois.gov]
Sent: Tuesday, September 01, 2009 7:29 AM
To: Tim Kellogg GPSD
Subject: RE: GPSD Review

Tim,

Can you specifically outline how Grand Prairie Sanitary District arrived at a figure of \$28 million that Mill Creek will need to charge to provide service to the proposed development. Based on the recapture agreement, it seems that a figure of \$17 million would be the actual charge. Please verify.

Thank you,
Dawn Thompson