


Oswego looks at options for operating water treatment plant

 chicagotribune.com/suburbs/aurora-beacon-news/news/ct-abn-oswego-water-st-0725-story.html

Linda Girardi

 If Oswego, Yorkville and Montgomery decide to build a joint water treatment plant, a governing board would be needed to oversee the operation, Oswego officials said.

Although no decisions have been made concerning building a plant, Oswego officials said that some form of "shared service arrangement" would have to be established for water services.

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The Oswego Village Board, meeting as a Committee of the Whole, recently discussed the varying options of governing boards to oversee the operations of a joint water treatment plant.

Oswego has had ongoing discussions about the possibility of partnering with Yorkville and Montgomery to draw water from the Fox River. The municipalities currently use well water.

The communities have had concerns about using strictly well water, because studies have shown that aquifers that supply drinking water to communities in the region are continuing to be depleted from overuse.

Oswego and Yorkville are also looking at Lake Michigan as a possible source of water.

"If we build a joint plant, the question is how to govern that? There are a lot of state laws that govern what we can do on this," Oswego Public Works Director Jennifer Hughes said in her report to trustees.

Hughes said "in the spirit of cooperation" the three municipalities were awarded a grant from the Local Technical Assistance program through the Chicago Metropolitan Agency for Planning for the purpose of doing a study of governance options.

"A number of them are viable but not recommended," Hughes said of the options.

The 23-page document, titled "Shared Drinking Water Service: A Summary Report on Available Governance Structures," references how municipal partnerships help to deal with the increasing costs associated with such projects.

"As the costs to provide safe and sustainable drinking water services continue to increase, the need to explore cost sharing opportunities will be even more important," the report states.

Municipal partnerships can reduce costs by sharing resources and infrastructure and accessing financing together, the report stated.

One option is setting up a water commission, permissible through the Illinois Water Commission Act of 1985. However, this form of governance is not a viable option because Oswego, Yorkville and Montgomery do not have the required population, according to Hughes.

Hughes said this does not preclude the three towns from joining the DuPage Water Commission to obtain Lake Michigan water.

Hughes said another option is a Municipal Joint Action Water Agency which would operate similar to a water commission. According to her report, two or more communities may operate a joint waterworks under Illinois Municipal Code.

"This option allows Oswego, Yorkville and Montgomery to form a new agency to construct, maintain and operate a new water plant. It spreads the financial risk across the communities," Hughes said.

Another route would be to establish a Wholesale Water Service, where one community would own the plant and the other communities would be wholesale customers under a long-term contract, according to Hughes.

Under this option the host community would be fiscally responsible for setting rates and ensuring that all regulatory requirements are met.

"There are risks with this option," she said.

Two other models create public-private partnerships, where municipalities contract with the private sector to construct, maintain or operate the water systems. The municipalities would continue to own the system in whole or part.

The municipalities can also choose privatization, where they would get out of the water business and allow a private entity to own, maintain and operate the plant, according to the report.

Hughes said in that model, the municipalities would "lose control" of the operations and water rates would be established by the state.

"Many communities that have privatized their water systems are now fighting to get them back to get control. That is not something we would recommend," Hughes said.

Hughes said the report was presented as informational at this point. She said if a joint water treatment plant is decided on, then future discussions would include Montgomery and Yorkville.

Linda Girardi is a freelance reporter for The Beacon-News.