



OFFICE OF THE MAYOR
CITY OF CHICAGO

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CITY COUNCIL APPROVES 40-YEAR WATER CONTRACT WITH OAK LAWN

Ordinance to Certify Deal Providing Chicago Water to Oak Lawn and Downstream Customers

City Council today passed an ordinance approving a long-term agreement to provide purified water to the Village of Oak Lawn and the twelve downstream communities to which it provides water. Under terms of the agreement, Chicago will provide water for 30 years, with an option to renew for 10 years.

"This agreement is a vote of confidence in our efforts to improve Chicago's water infrastructure, including renewing our purification and distribution system," said Mayor Emanuel. "In addition to residents and businesses in Chicago, our water system reliably delivers safe, clean drinking water to 127 suburbs. By investing in our water system, we are ensuring dependable water service to many south suburban communities."

Most suburban agreements involve 10-year commitments with three 10-year options to extend. Oak Lawn is seeking a longer term in order to improve its bonding capacity as it negotiates long-term agreements with downstream customers to whom it sells Chicago water. The bonds will help finance improvements in the infrastructure needed to meet current commitments and expected growing demand.

"The communities we serve have a combined population of 325,000. That number is projected to grow to 400,000 during the life of the contract," said Oak Lawn Village Manager Larry Deetjen. "Oak Lawn is the City of Chicago's second largest wholesale customer, and proud to be served by a world class city and water operations department internationally recognized for excellence in meeting stringent environmental standards."



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The length of the contract will also help Oak Lawn finance its water infrastructure improvements and increase its capacity so that we can continue to provide clean, safe drinking water to families and businesses throughout the south suburbs.

“This contract provides long term price stability and reliability in water service for the residents and businesses of Oak Lawn and its valuable south suburban customer communities,” Deetjen said.

These communities include Oak Lawn, New Lenox, Mokena, Matteson, Country Club Hills, Olympia Fields, Tinley Park, Orland Park, Orland Hills, Oak Forest, Palos Park, Palos Hills, Chicago Ridge, and the unincorporated communities served by the Illinois American Water Company.

“We value our relationships with all customers, and are very pleased as we look forward to decades of continued partnership with suburban neighbors to the south,” said Thomas Powers, Commissioner of Water Management.

The Oak Lawn Village Board has already approved the contract, which has an estimated value of \$28,504,328, based on 2012 water rates (\$2.51 per 1,000 gallons of water). The rates are scheduled for specific changes in the next three years, and thereafter will be tied to the Consumer Price Index. Suburban customers and their downstream communities routinely add to those rates for various reasons, including operations and infrastructure maintenance.

Oak Lawn and its downstream communities are allotted an average of 50.5 million gallons per day of Lake Michigan water under state regulations.

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