



Agenda Memo

Crest Hill, IL

Meeting Date: November 12, 2024
Submitter: Ronald J Wiedeman
Department: Public Works, Engineering and Economic Development.
Agenda Item: Tap-On Fee Discussion

Summary: Staff has reviewed our current water and sanitary sewer tap-on fees and compared them with what is currently being charged in surrounding communities .

This task was undertaken to make sure that our fees are in line with surrounding communities in which Crest Hill has to compete to attract potential development.

Tap-on fees were collected from the following surrounding communities:

Channahon	Joliet	Shorewood	Romeoville
Lockport	Minooka	Plainfield	

These fees were then summarized as are shown in “Water and Sanitary Sewer Connection Rate 2024-Chart A and Summary of Water and Sanitary Sewer Tap-on Fees-Chart B”

The following was found when comparing surrounding water and sanitary sewer tap-on fees:

1. Crest Hill is the only community that combines both water and sanitary sewer fees in the same calculation.
2. Crest Hill fees for residential or multiple dwelling units are significantly higher. On average our residential fees are approximately 80% higher than the surrounding community’s average costs.
3. Crest Hill fees for commercial developments are much higher compared to surrounding communities for development that are small in building size and high in population equivalent (PE)
4. Crest Hill fees are similar to the surrounding communities average when the PE is low and the building size is large.
5. Crest Hill and Minooka increases rates by 5% each year while Channahon only increases at a rate of 3%. The rest of the communities (Lockport, Joliet, Plainfield, Shorewood and Romeoville) do not have a yearly escalation.

The goals of this are as follows:

- To provide fees that are in line with surrounding communities in which Crest Hill has to compete to attract potential development
- Provide fees that are similar to competing communities so that they are not used as a negotiated tool for developers.

Shown in the attached New Water and Sewer Tap-on Fee Calculations-Chart C are staff recommendations to achieve the goals discussed above. Staff recommends the following:

- Revise the current ordinance to create two separate water and sanitary fees. This will provide guidance to staff on how to handle when only one tap on fee is required. (i.e. a request is made to connect water and not a sanitary sewer).
Staff is will also be presenting to council a suggested changes to Section 13.18 “Water Connections” to allow language to be added that when a private well needs to be repaired and the cost of the repair exceeds 50% of the water tap-on fee that the resident will need to connect to City Water is available. With the issues with PFAS and other contaminants in ground water we should be encouraging residents to get their water from cleaner water source.
- Create a Flat Fee for Residential Water and Sanitary Sewer Tap on fees in line with the surrounding communities.
- For commercial/ business reduce our current rate per P.E and increase the minimum PE allowed for calculations from 8.5 to 12.
- Suggest a formula in which the tap on rates for water and sanitary sewer are calculated as follows
 - $(PE \times \text{Current Rate per PE}) \times \text{Fixed Fee}$.
 - See Options provided in the attached spreadsheet named “New Water and Sewer Tap-on Fee Calculation-Chart C.
- Reduce the annual rate from 5% to 3% for the PE rate.
- Increase the flat rate for detached single family homes and multiple dwellings every other year at a rate of 3%.

Staff would recommend the council to go with option 2 as presented. This will achieve the goals set out above to achieve and put the city in a position to compete with the surrounding communities to attract new businesses and residents.

Recommended Council Action: To direct staff to work with the city attorney to update Chapter 13.04 and bring back to council for final approval to create a rate structure for water and sanitary tap-on fees per option 2 as recommended by staff.

Financial Impact:

Funding Source: n/a

Budgeted Amount: n/a

Cost: n/a

Attachments:

Water and Sanitary Sewer Connection Rate 2024-Chart A

Summary of Water and Sanitary Sewer Tap-on Fees-Chart B

Charts for Options

New Water and Sanitary Sewer Connection Rates-Chart C

Summary of Water and Sanitary Sewer Tap-on Fees-Chart D