



**CITY OF URBANA, ILLINOIS
DEPARTMENT OF PUBLIC WORKS**

ADMINISTRATION

M E M O R A N D U M

TO: Bruce K. Walden, Chief Administrative Officer

FROM: William R. Gray, P. E., Public Works Director

DATE: July 21, 2005

RE: *Illinois-American Water Company
Independent Water System Audit*

INTRODUCTION

On January 18, 2005, the Urbana City Council approved "An Agreement Between the City of Urbana and Illinois-American Water Company Concerning the Use of the Public Ways of the City, Fire Protection, and Other Related Matters. In this agreement, there is language (see attached Section 4.4, Page 27-29) permitting the Cities to have an independent water system audit of their water plant and the water distribution system performed to confirm that it is meeting certain industry standards, policies, and regulations. The Cities are proceeding with this audit, which is estimated not to exceed \$20,000. Some of the items that will be included in the audit:

- Is IAWC maintaining an ISO rating of "2" for Urbana and "3" for Champaign?
- Is the unaccounted for water loss 15% or less?
- Is the treatment and distribution being operated and maintained in accordance with federal and state drinking water standards for public water supplies?
- Are tanks and clarification basins being inspected on a regular basis?
- Is the system capable of maintaining water pressure to prevent boil orders, or unreasonable spikes and pressure?
- Etc.

This audit is occurring at a timely juncture in that there have been boil order notifications sent out to the Champaign-Urbana area recently. The audit will provide a detailed report that will identify those areas where the IAWC needs to address deficiencies identified and come up with a compliance plan.

FISCAL IMPACT

The proposed audit report consulting fees should not exceed \$20,000. Per the agreement, IAWC will pay 50% of the actual cost, not to exceed \$10,000. The City of Champaign agrees to 32.5% of the actual cost, not to exceed \$6,500, and the City of Urbana agrees to pay 17.5% of the actual cost, not to exceed \$3,500.

RECOMMENDATION

It is recommended that “An Ordinance Revising the Annual Budget Ordinance” be approved.

WRG:klf

Attachments:

- Budget Ordinance
- Excerpts from Agreement

ORDINANCE NO. 2005-07-117

**AN ORDINANCE
REVISING THE ANNUAL BUDGET ORDINANCE
(Water System Audit)**

WHEREAS, the Annual Budget Ordinance of and for the City of Urbana, Champaign County, Illinois, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, (the "Annual Budget Ordinance") has been duly adopted according to sections 8-2-9.1 et seq. of the Illinois Municipal Code (the "Municipal Code") and Division 2, entitled "Budget", of Article VI, entitled "Finances and Purchases", of Chapter 2, entitled "Administration", of the Code of Ordinances, City of Urbana, Illinois (the "City Code"); and

WHEREAS, the City Council of the said City of Urbana finds it necessary to revise said Annual Budget Ordinance by deleting, adding to, changing or creating sub-classes within object classes and object classes themselves; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, such revision is not one that may be made by the Budget Director under the authority so delegated to the Budget Director pursuant to section 8-2-9.6 of the Municipal Code and section 2-133 of the City Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Annual Budget be and the same is hereby revised to provide as follows:

FUND:	General Reserve		
ADD EXPENSE	Contractual, Water System Audit	\$20,000	
ADD REVENUE:	Reimbursement, Water Company	\$10,000	
	Reimbursement, City of Champaign		\$ 6,500
REDUCE:	Fund Balance, City of Urbana	\$ 3,500	

Section 2. This Ordinance shall be effective immediately upon passage and approval and shall not be published.

Section 3. This Ordinance is hereby passed by the affirmative vote of two-thirds of the members of the corporate authorities then holding office, the "ayes" and "nays" being called at a regular meeting of said Council.

PASSED by the City Council this _____ day of _____,

_____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,

_____.

Laurel L. Prussing, Mayor