



WATER RATE STUDY REPORT

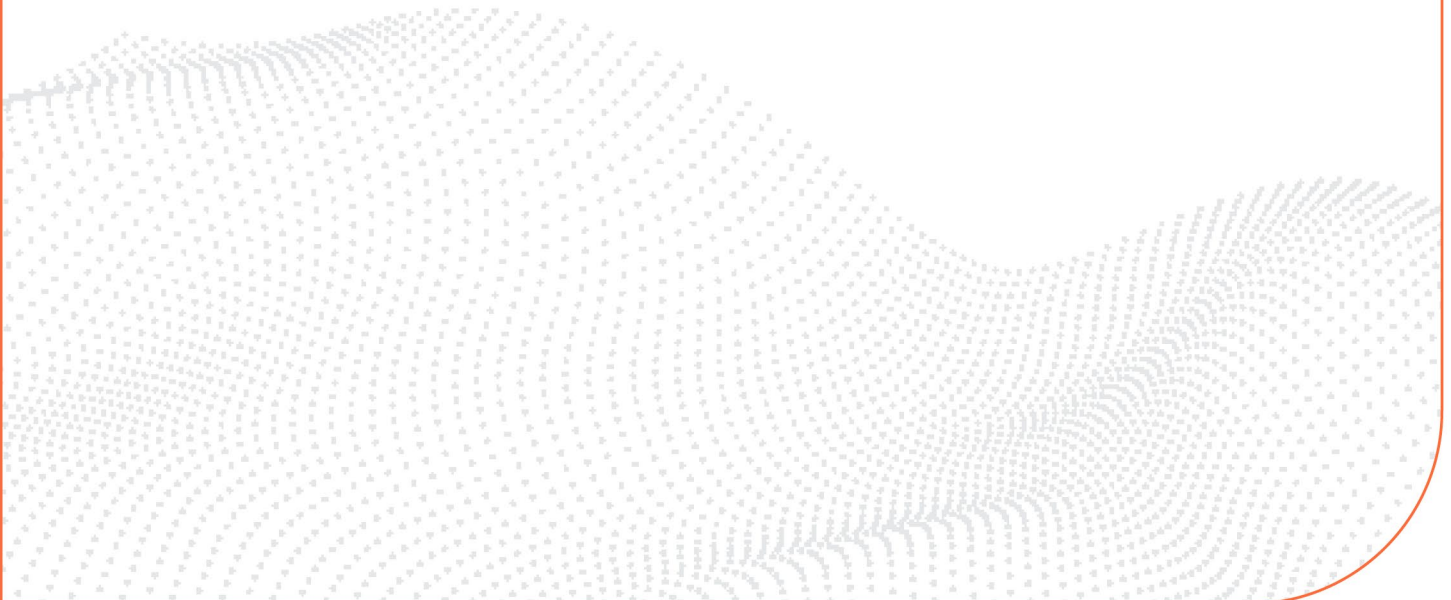
VILLAGE OF HOMEWOOD, IL

WATER RATE STUDY

173281

FINAL REPORT

September 22, 2025



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CONTENTS

1.0 Executive Summary	1-1
1.1 Project Background	1-1
1.2 Industry Trends in Water Rates	1-1
1.3 Project Approach	1-2
1.4 Financial Planning	1-3
1.5 Proposed Retail Water Rates	1-4
1.6 Residential Regional Bill Comparison	1-7
1.7 Recommendations	1-7
2.0 Financial Planning Analysis	2-1
2.1 Introduction	2-1
2.2 Water Utility Revenues under Existing Rates	2-1
2.2.1 Historical and Projected Customers and Volumes	2-1
2.2.2 Existing Water Rates	2-2
2.2.3 User Revenues under Existing Rates	2-2
2.3 Water Utility Expenditures	2-3
2.3.1 O&M Expenses	2-3
2.3.2 Projected Capital Improvement Expenditures	2-5
2.3.3 Existing and Proposed Debt Service Requirements	2-5
2.3.4 Water Utility Flow of Funds	2-6
3.0 Retail Water Rate Design	3-1
3.1 Introduction	3-1
3.2 Existing Retail Water Rates	3-1
3.3 Residential Rate Benchmarking	3-1
3.4 Proposed Retail Water Rates	3-3
4.0 Appendix - Alternate Rate Designs	4-1
4.1 Supplemental Rate Designs	4-1
4.1.1 Option 1 Fixed Fee Increase of 15 Percent Starting in 2028	4-1
4.1.2 Option 2 Fixed Fee Increase of 20 Percent Starting in 2028	4-3

FIGURES

Figure 1-1: Changes in General Inflation and Water and Sewer Household Costs	1-1
Figure 1-2: Study Methodology	1-2
Figure 1-3: Regional Residential Bill Comparison with Proposed Homewood 2026.....	1-7
Figure 3-1: Regional Residential Bill Comparison	3-2
Figure 3-2: Residential Fixed Fee Survey.....	3-2
Figure 3-3: Residential Volumetric Fee Survey	3-3
Figure 3-4: Regional Residential Bill Comparison with Proposed Homewood 2026.....	3-6

TABLES

Table 1-1: Proposed Retail Water Revenue Increases	1-3
Table 1-2: Existing and Proposed Water Rates.....	1-5
Table 1-3: Residential Water Bill Impact.....	1-6
Table 1-4: Non-Residential Water Bill Impact	1-6
Table 2-1: Historical and Projected Water Accounts and Volume	2-2
Table 2-2: Existing 2025 Water Rates	2-2
Table 2-3: Historical and Projected Water User Revenues	2-3
Table 2-4: Historical and Projected Water Operation and Maintenance Expenses	2-4
Table 2-5: Water Capital Improvement Program	2-5
Table 2-6: Existing and Proposed Water Debt Service	2-6
Table 2-7: Water Utility Operating and Capital Flow of Funds	2-7
Table 3-1: Existing 2025 Water Rates	3-1
Table 3-2: Existing and Proposed Water Rates.....	3-4
Table 3-3: Residential Water Bill Impact.....	3-5
Table 3-4: Non-Residential Water Bill Impact	3-5
Table 4-1: Option 1 Proposed Alternate Water Rates 2028-2030.....	4-1
Table 4-2: Option 1 Residential Water Bill Impact	4-2
Table 4-3: Option 1 Non-Residential Water Bill Impact	4-2
Table 4-4: Option 2 Proposed Alternate Water Rates 2028-2030.....	4-3
Table 4-5: Option 2 Residential Water Bill Impact	4-4
Table 4-6: Option 2 Non-Residential Water Bill Impact	4-4

1.0 Executive Summary

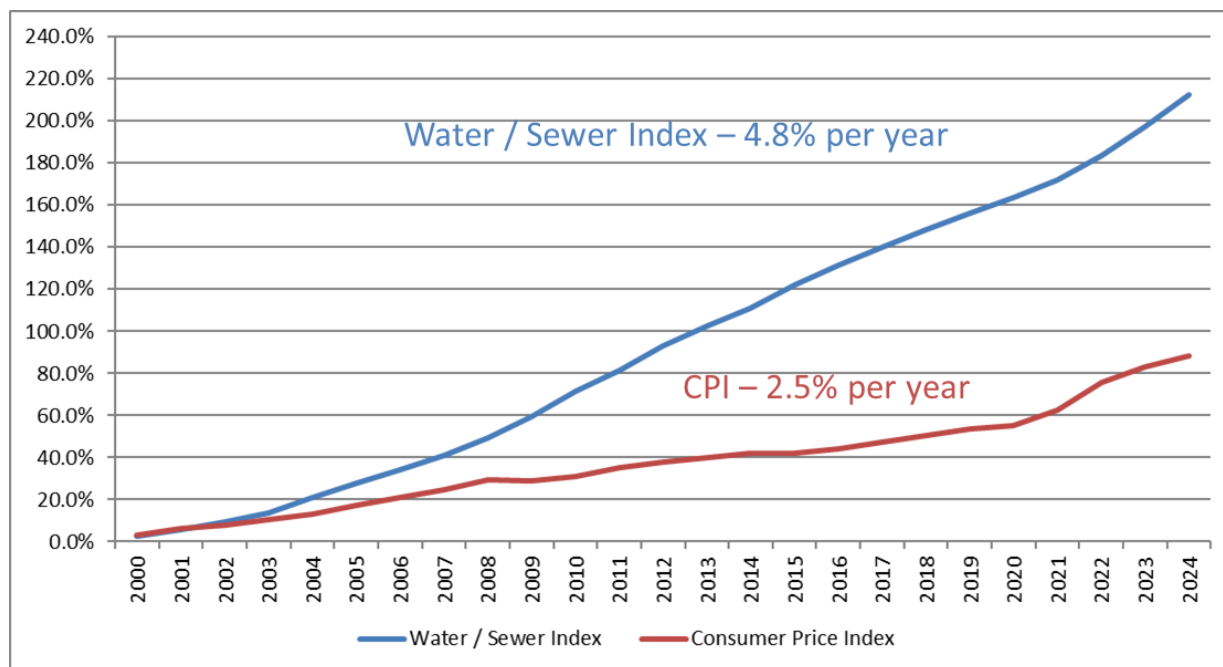
1.1 Project Background

1898 & Co., a part of Burns & McDonnell, was engaged by the Village of Homewood, IL (the Village) to conduct a water rate study (the Study) for the Village's water system. The Village is beginning the implementation of a lead service line replacement program. One goal of this Study was to evaluate funding options to pay for lead service line and other needed capital improvements, as well as ongoing operating costs. The Study developed an eleven-year financial plan and evaluated changes to the existing rate structure to recover costs.

1.2 Industry Trends in Water Rates

Many factors impact the cost of providing municipal water service. One universal funding challenge for most municipal water utilities involves implementing and sustaining adequate renewal and replacement of aging infrastructure, particularly water mains. Other dynamics typically include compliance with regulatory requirements, inflation on operating and capital costs, and a general trend in declining consumption, which is often associated with more efficient fixtures and appliances and greater awareness of water conservation. Each utility is different, and the relative importance of these dynamics will vary by utility. However, there is no doubt that water rate increases have substantially outpaced general inflation in the United States. The United States Bureau of Labor Statistics (BLS) tracks many facets of inflation, including the Consumer Price Index for all Urban Consumers (CPI-U) which measures inflation at the household level. The BLS also tracks an index for combined household water and sewer costs. Figure 1-1 compares changes in both of these BLS data series.

Figure 1-1: Changes in General Inflation and Water and Sewer Household Costs



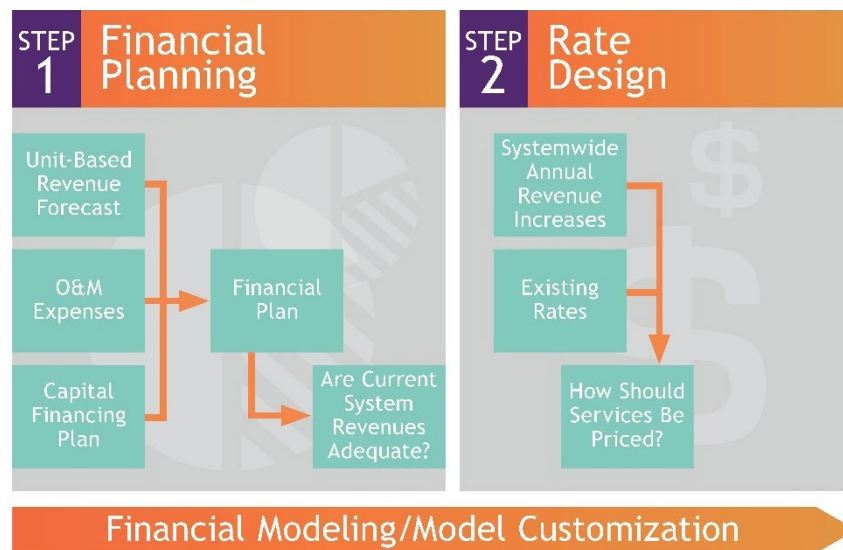
Since 2000 the water and sewer index has increased nearly 5.0 percent per year, while CPI's annual rate of change is about 2.5 percent per year.

Every utility is unique, and the dynamics impacting rates can vary widely. However, awareness of national household water costs provides important context when reviewing water utility financial plans.

1.3 Project Approach

To meet the project objectives, 1898 & Co. completed the Study with an approach that is grounded in the principles established by the American Water Works Association (AWWA) M1 Rate Manual.

Figure 1-2: Study Methodology



Step 1: Financial Planning provides an indication of the adequacy of the revenue generated by current rates. The results of the financial forecast analysis answer the questions "Are the existing rates adequate?" and "If not, what level of overall revenue increase is needed?" The Financial Planning Analysis is presented in section 2.0 of this report.

Step 2: Rate Design provides for the required revenue recovery. Once the overall level of revenue required is identified and customer class responsibility for that level of revenue is determined, schedules of rates for each rate class are developed that will generate revenues accordingly. The Rate Design Analysis is detailed in Section 3.0 of this report.

1.4 Financial Planning

Financial planning assumptions are described in Section 2.0 of this report. The proposed financial plan was evaluated based on the following guidelines:

- Mitigate rate shock through levelized increases where possible, rather than implemented intermittent large increases
- Provide adequate reserves
 - Operating Reserve minimum of 90 days of operation and maintenance expense
 - Capital Reserve to provide further liquidity in the execution of projects
- Use debt to:
 - Fund critical water infrastructure such as water main replacement and the replacement of the Central water tower, and
 - To minimize rate increases and achieve a minimum of 1.25x debt service coverage

Proposed revenue increases for retail water rates are shown in Table 1-1.

Table 1-1: Proposed Retail Water Revenue Increases

Proposed Annual Revenue Increases	
2026	7.75%
2027	7.75%
2028	7.75%
2029	7.75%
2030	7.75%
2031	7.75%
2032	7.75%
2033	7.75%
2034	7.75%
2035	6.00%

As detailed in Section 2.3.3 and 2.3.4, in addition to the revenue increases shown in Table 1-1, debt issuance is an important part of the funding of future water infrastructure. Potential future debt issues include:

- Loans through the Illinois Environmental Protection Agency that are forecasted to occur annually to fund lead service line replacement. These loans have been subsidized with 0.0 percent interest rates over 30 years, and the potential for a portion of the principal to be forgiven.
- Assumed revenue bond issuance in 2026, 2029 and 2033 that, together with cash funding, will help fund the Central water tower replacement and water main replacement.

In the development of the financial plan, assumptions were necessary regarding future conditions that impact projected water revenue increases. As a result, there are risks (i.e. ways in which revenue increases may be higher than proposed in Table 1-1), and opportunities (i.e. ways in which revenue increases may be lower than proposed in Table 1-1) inherent in the cash flow projections.

Risks include:

- Reduced funding for IEPA loans, which could limit the availability of loans from IEPA, the primary funding mechanism anticipated for lead service line replacement. It is currently assumed IEPA will be able to provide 0% interest loans for all lead service line project costs.
- Periods of higher inflation on operating costs (3.2 percent assumed) or project costs (5.0 percent assumed, excluding lead service lines)
- Higher interest rates on debt including IEPA loans (0.0 percent assumed) and other potential bonds (4.5 percent assumed)

Opportunities include:

- Principal forgiveness on IEPA lead service line loans. No principal forgiveness has been relied upon in the development of future cash flows.
- Potential for 40-year loans on IEPA lead service line loans, which are currently assumed to be 30 years.
- Regulatory relief in the form of additional time beyond 2035 to complete the lead service line replacement.
- Potential non-home rule sales tax being approved by the Village. If approved, it is possible the non-home rule sales tax proceeds could be used to back the issuance of debt to assist in funding lead service lines. No sales tax proceeds have been assumed in the development of future cash flows.

1.5 Proposed Retail Water Rates

The primary focus of Rate Design is to develop a five-year projection of retail water rates that generates revenues to achieve the proposed revenue increases in Table 1-1 and improve fixed cost recovery.

Table 1-2 shows the existing and proposed water rates. The Village's existing Inside Village water rates include a fixed charge of \$3.66 per month and a volumetric charge of \$10.97 for each 1,000 gallons of water use. These rates are charged to all applicable classes including sprinkler accounts. Outside Village rates are structured identically and reflect a 1.5x multiplier over Inside Village rates. Water rates applicable to schools and churches are also structured identically to Inside Village rates and reflect a 25 percent discount.

Proposed rates shown in Table 1-2 for 2026 through 2030 reflect a structural change in the monthly fixed charge, which is proposed to increase in accordance with meter size. A fixed fee that increases by meter size is a common structure and will help the utility improve the amount of revenue derived from fixed charges. Volumetric fees sustain the existing structure, to be billed for each 1,000 gallons of water usage. The Outside Village multiplier of 1.5x and the schools and churches discount of 25% are proposed to continue.

Retail rates developed for 2026 reflect the structure change in the fixed fee, with the volumetric fee then set to produce the indicated overall 7.75 percent revenue increase. Retail rates proposed for 2027 through 2030 reflect a proportionate increase in all retail user charges of 7.75 percent, in alignment with the overall systemwide increase proposed each year. It is proposed that the Village adopt the first two years of proposed rates for 2026 and 2027 and then re-evaluate the systemwide increases proposed for subsequent

years to confirm they still reasonably reflect funding needs. At that point, the outcome of the risks and opportunities discussed in this section may be more certain, and refinement in the financial plans may be warranted.

Table 1-2: Existing and Proposed Water Rates

Line No.	Description	Meter Size	Existing		Proposed				
			2025	2026	2027	2028	2029	2030	
1	Proposed Annual Water Rate Increases			7.75%	7.75%	7.75%	7.75%	7.75%	
<u>Inside Village Customers</u>									
2	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 3.66	\$ 3.94	\$ 4.25	\$ 4.58	\$ 4.93	\$ 5.31	
3	Service Charge (\$/Mo.)	1	\$ 3.66	\$ 5.52	\$ 5.95	\$ 6.41	\$ 6.91	\$ 7.45	
4	Service Charge (\$/Mo.)	1.5	\$ 3.66	\$ 7.09	\$ 7.64	\$ 8.23	\$ 8.87	\$ 9.56	
5	Service Charge (\$/Mo.)	2	\$ 3.66	\$ 11.43	\$ 12.32	\$ 13.27	\$ 14.30	\$ 15.41	
6	Service Charge (\$/Mo.)	3	\$ 3.66	\$ 43.34	\$ 46.70	\$ 50.32	\$ 54.22	\$ 58.42	
7	Service Charge (\$/Mo.)	4	\$ 3.66	\$ 55.16	\$ 59.43	\$ 64.04	\$ 69.00	\$ 74.35	
8	Service Charge (\$/Mo.)	6	\$ 3.66	\$ 82.74	\$ 89.15	\$ 96.06	\$ 103.50	\$ 111.52	
9	Volume Charge (\$/1,000 Gal.) *		\$ 10.97	\$ 11.74	\$ 12.65	\$ 13.63	\$ 14.69	\$ 15.83	
<u>Outside Village Customers</u>									
10	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 5.49	\$ 5.91	\$ 6.38	\$ 6.87	\$ 7.40	\$ 7.97	
11	Service Charge (\$/Mo.)	1	\$ 5.49	\$ 8.28	\$ 8.93	\$ 9.62	\$ 10.37	\$ 11.18	
12	Service Charge (\$/Mo.)	1.5	\$ 5.49	\$ 10.64	\$ 11.46	\$ 12.35	\$ 13.31	\$ 14.34	
13	Service Charge (\$/Mo.)	2	\$ 5.49	\$ 17.15	\$ 18.48	\$ 19.91	\$ 21.45	\$ 23.12	
14	Service Charge (\$/Mo.)	3	\$ 5.49	\$ 65.01	\$ 70.05	\$ 75.48	\$ 81.33	\$ 87.63	
15	Service Charge (\$/Mo.)	4	\$ 5.49	\$ 82.74	\$ 89.15	\$ 96.06	\$ 103.50	\$ 111.53	
		6	\$ 5.49	\$ 124.11	\$ 133.73	\$ 144.09	\$ 155.25	\$ 167.28	
16	Volume Charge (\$/1,000 Gal.) *		\$ 16.46	\$ 17.61	\$ 18.98	\$ 20.45	\$ 22.04	\$ 23.75	
<u>Schools and Churches</u>									
17	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 2.75	\$ 2.96	\$ 3.19	\$ 3.44	\$ 3.70	\$ 3.98	
18	Service Charge (\$/Mo.)	1	\$ 2.75	\$ 4.14	\$ 4.46	\$ 4.81	\$ 5.18	\$ 5.59	
19	Service Charge (\$/Mo.)	1.5	\$ 2.75	\$ 5.32	\$ 5.73	\$ 6.17	\$ 6.65	\$ 7.17	
20	Service Charge (\$/Mo.)	2	\$ 2.75	\$ 8.57	\$ 9.24	\$ 9.95	\$ 10.73	\$ 11.56	
21	Service Charge (\$/Mo.)	3	\$ 2.75	\$ 32.51	\$ 35.03	\$ 37.74	\$ 40.67	\$ 43.82	
22	Service Charge (\$/Mo.)	4	\$ 2.75	\$ 41.37	\$ 44.57	\$ 48.03	\$ 51.75	\$ 55.76	
23	Service Charge (\$/Mo.)	6	\$ 2.75	\$ 62.06	\$ 66.86	\$ 72.05	\$ 77.63	\$ 83.64	
24	Volume Charge (\$/1,000 Gal.) *		\$ 8.23	\$ 8.81	\$ 9.49	\$ 10.22	\$ 11.02	\$ 11.87	

Notes:

* The 2025 Inside Village water rate was amended to \$11.29 per 1,000 gallons to reflect changes in the price of water supply from Chicago Heights in March 2025. This change also impacts the Outside Village and Schools and Churches 2025 rates.

Sprinkler rate is the same as Inside Village

Schools and churches discount is 25%

Outside Village rates are 1.5x Inside Village

Changes in rate structure can have different impacts on different users based on their meter size and monthly water usage. Table 1-3 shows the residential water customer bill impact on various usage amounts to demonstrate the impact of the proposed rates. These computations reflect 5/8” meters, the dominant meter size for a residential connection. Most residential customers will experience an increase in 2026 ranging from 7.0 percent to 7.75 percent, which is a function of the structural change in fixed charges. For the average 4,000 gallon user, the increase will amount to \$3.36 in 2026. For years 2027 through 2030, increases will be a uniform 7.75%, reflecting the systemwide increase applied to both the fixed and volumetric user charges.

Table 1-3: Residential Water Bill Impact

Billable Flow Kgal/Mo	Percent of Bills in 2024	Existing 2025 Rates \$	Proposed					Change in \$					Change in %				
			2026 Rates \$	2027 Rates \$	2028 Rates \$	2029 Rates \$	2030 Rates \$	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
Residential																	
0	5.93%	\$ 3.66	\$ 3.94	\$ 4.25	\$ 4.58	\$ 4.93	\$ 5.31	\$ 0.28	\$ 0.31	\$ 0.33	\$ 0.35	\$ 0.38	7.7%	7.9%	7.8%	7.6%	7.7%
1	11.43%	\$ 14.63	\$ 15.68	\$ 16.90	\$ 18.21	\$ 19.62	\$ 21.14	\$ 1.05	\$ 1.22	\$ 1.31	\$ 1.41	\$ 1.52	7.2%	7.8%	7.8%	7.7%	7.7%
2	17.34%	\$ 25.60	\$ 27.42	\$ 29.55	\$ 31.84	\$ 34.31	\$ 36.97	\$ 1.82	\$ 2.13	\$ 2.29	\$ 2.47	\$ 2.66	7.1%	7.8%	7.7%	7.8%	7.8%
3	18.94%	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.47	\$ 49.00	\$ 52.80	\$ 2.59	\$ 3.04	\$ 3.27	\$ 3.53	\$ 3.80	7.1%	7.8%	7.7%	7.8%	7.8%
4	15.95%	\$ 47.54	\$ 50.90	\$ 54.85	\$ 59.10	\$ 63.69	\$ 68.63	\$ 3.36	\$ 3.95	\$ 4.25	\$ 4.59	\$ 4.94	7.1%	7.8%	7.7%	7.8%	7.8%
5	11.14%	\$ 58.51	\$ 62.64	\$ 67.50	\$ 72.73	\$ 78.38	\$ 84.46	\$ 4.13	\$ 4.86	\$ 5.23	\$ 5.65	\$ 6.08	7.1%	7.8%	7.7%	7.8%	7.8%
6	7.13%	\$ 69.48	\$ 74.38	\$ 80.15	\$ 86.36	\$ 93.07	\$ 100.29	\$ 4.90	\$ 5.77	\$ 6.21	\$ 6.71	\$ 7.22	7.1%	7.8%	7.7%	7.8%	7.8%
7	4.43%	\$ 80.45	\$ 86.12	\$ 92.80	\$ 99.99	\$ 107.76	\$ 116.12	\$ 5.67	\$ 6.68	\$ 7.19	\$ 7.77	\$ 8.36	7.0%	7.8%	7.7%	7.8%	7.8%
8	2.55%	\$ 91.42	\$ 97.86	\$ 105.45	\$ 113.62	\$ 122.45	\$ 131.95	\$ 6.44	\$ 7.59	\$ 8.17	\$ 8.83	\$ 9.50	7.0%	7.8%	7.7%	7.8%	7.8%
9	1.59%	\$ 102.39	\$ 109.60	\$ 118.10	\$ 127.25	\$ 137.14	\$ 147.78	\$ 7.21	\$ 8.50	\$ 9.15	\$ 9.89	\$ 10.64	7.0%	7.8%	7.7%	7.8%	7.8%
10	0.97%	\$ 113.36	\$ 121.34	\$ 130.75	\$ 140.88	\$ 151.83	\$ 163.61	\$ 7.98	\$ 9.41	\$ 10.13	\$ 10.95	\$ 11.78	7.0%	7.8%	7.7%	7.8%	7.8%
11	0.68%	\$ 124.33	\$ 133.08	\$ 143.40	\$ 154.51	\$ 166.52	\$ 179.44	\$ 8.75	\$ 10.32	\$ 11.11	\$ 12.01	\$ 12.92	7.0%	7.8%	7.7%	7.8%	7.8%
12	0.42%	\$ 135.30	\$ 144.82	\$ 156.05	\$ 168.14	\$ 181.21	\$ 195.27	\$ 9.52	\$ 11.23	\$ 12.09	\$ 13.07	\$ 14.06	7.0%	7.8%	7.7%	7.8%	7.8%
13	0.28%	\$ 146.27	\$ 156.56	\$ 168.70	\$ 181.77	\$ 195.90	\$ 211.10	\$ 10.29	\$ 12.14	\$ 13.07	\$ 14.13	\$ 15.20	7.0%	7.8%	7.7%	7.8%	7.8%
14	0.22%	\$ 157.24	\$ 168.30	\$ 181.35	\$ 195.40	\$ 210.59	\$ 226.93	\$ 11.06	\$ 13.05	\$ 14.05	\$ 15.19	\$ 16.34	7.0%	7.8%	7.7%	7.8%	7.8%
15	0.17%	\$ 168.21	\$ 180.04	\$ 194.00	\$ 209.03	\$ 225.28	\$ 242.76	\$ 11.83	\$ 13.96	\$ 15.03	\$ 16.25	\$ 17.48	7.0%	7.8%	7.7%	7.8%	7.8%
16	0.13%	\$ 179.18	\$ 191.78	\$ 206.65	\$ 222.66	\$ 239.97	\$ 258.59	\$ 12.60	\$ 14.87	\$ 16.01	\$ 17.31	\$ 18.62	7.0%	7.8%	7.7%	7.8%	7.8%
17	0.14%	\$ 190.15	\$ 203.52	\$ 219.30	\$ 236.29	\$ 254.66	\$ 274.42	\$ 13.37	\$ 15.78	\$ 16.99	\$ 18.37	\$ 19.76	7.0%	7.8%	7.7%	7.8%	7.8%
18	0.07%	\$ 201.12	\$ 215.26	\$ 231.95	\$ 249.92	\$ 269.35	\$ 290.25	\$ 14.14	\$ 16.69	\$ 17.97	\$ 19.43	\$ 20.90	7.0%	7.8%	7.7%	7.8%	7.8%
19	0.07%	\$ 212.09	\$ 227.00	\$ 244.60	\$ 263.55	\$ 284.04	\$ 306.08	\$ 14.91	\$ 17.60	\$ 18.95	\$ 20.49	\$ 22.04	7.0%	7.8%	7.7%	7.8%	7.8%
20	0.05%	\$ 223.06	\$ 238.74	\$ 257.25	\$ 277.18	\$ 298.73	\$ 321.91	\$ 15.68	\$ 18.51	\$ 19.93	\$ 21.55	\$ 23.18	7.0%	7.8%	7.7%	7.8%	7.8%

Table 1-4 shows the impact of proposed rates on other classes of users. Due to the wide variety of meter sizes and usage levels, Table 1-4 shows the common meter sizes for each class, and the average use of that meter size within the class. Note in 2026 the percentage increase in most bills is higher than the system average of 7.75 percent, which is a function of the change in the fixed fee. As was the case with residential bill impacts, bills shown for 2027 through 2030 increase at a uniform 7.75%, reflecting the systemwide increase applied to both the fixed and volumetric user charges.

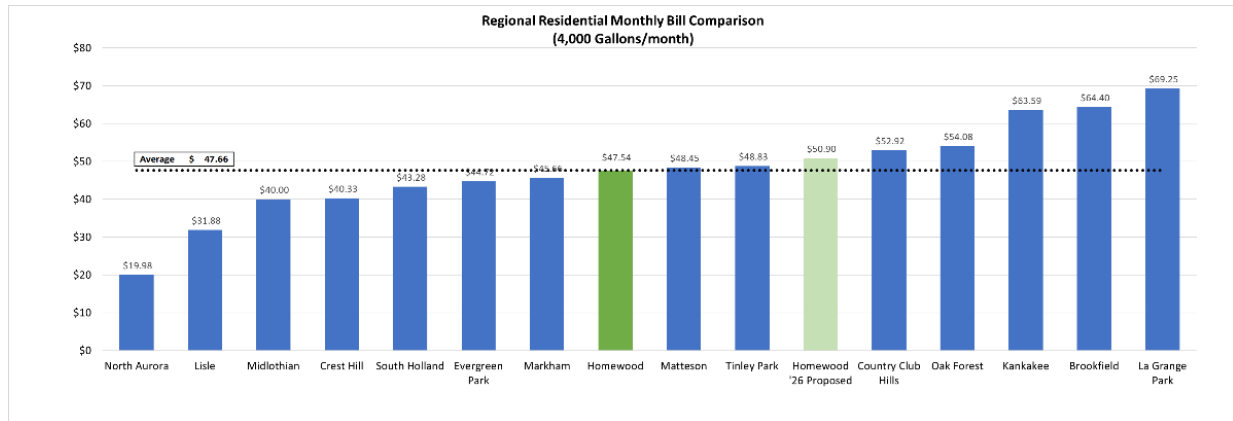
Table 1-4: Non-Residential Water Bill Impact

Water Use Kgal/Mo	Meter Size inches	Existing	Proposed		Recommended			Change in \$					Change in %				
		2025 Rates	2026 Rates	2027 Rates	2028 Rates	2029 Rates	2030 Rates	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
		\$	\$	\$	\$	\$	\$										
Multi-Family																	
3	5/8" & 3/4"	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.47	\$ 49.00	\$ 52.80	\$ 2.59	\$ 3.04	\$ 3.27	\$ 3.53	\$ 3.80	7.1%	7.8%	7.7%	7.8%	7.8%
12	1"	\$ 135.30	\$ 146.40	\$ 157.75	\$ 169.97	\$ 183.19	\$ 197.41	\$ 11.10	\$ 11.35	\$ 12.22	\$ 13.22	\$ 14.22	8.2%	7.8%	7.7%	7.8%	7.8%
35	1.5"	\$ 387.61	\$ 417.99	\$ 450.39	\$ 485.28	\$ 523.02	\$ 563.61	\$ 30.38	\$ 32.40	\$ 34.89	\$ 37.74	\$ 40.59	7.8%	7.8%	7.7%	7.8%	7.8%
40	2"	\$ 442.46	\$ 481.03	\$ 518.32	\$ 558.47	\$ 601.90	\$ 648.61	\$ 38.57	\$ 37.29	\$ 40.15	\$ 43.43	\$ 46.71	8.7%	7.8%	7.7%	7.8%	7.8%
325	3"	\$ 3,568.91	\$ 3,858.84	\$ 4,157.95	\$ 4,480.07	\$ 4,828.47	\$ 5,203.17	\$ 289.93	\$ 299.11	\$ 322.12	\$ 348.40	\$ 374.70	8.1%	7.8%	7.7%	7.8%	7.8%
Commercial																	
3	5/8" & 3/4"	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.47	\$ 49.00	\$ 52.80	\$ 2.59	\$ 3.04	\$ 3.27	\$ 3.53	\$ 3.80	7.1%	7.8%	7.7%	7.8%	7.8%
7	1"	\$ 80.45	\$ 87.70	\$ 94.50	\$ 101.82	\$ 109.74	\$ 118.26	\$ 7.25	\$ 6.80	\$ 7.32	\$ 7.92	\$ 8.52	9.0%	7.8%	7.7%	7.8%	7.8%
17	1.5"	\$ 190.15	\$ 206.67	\$ 222.69	\$ 239.94	\$ 258.60	\$ 278.67	\$ 16.52	\$ 16.02	\$ 17.25	\$ 18.66	\$ 20.07	8.7%	7.8%	7.7%	7.8%	7.8%
31	2"	\$ 343.73	\$ 375.37	\$ 404.47	\$ 435.80	\$ 469.69	\$ 506.14	\$ 31.64	\$ 29.10	\$ 31.33	\$ 33.89	\$ 36.45	9.2%	7.8%	7.7%	7.8%	7.8%
160	3"	\$ 1,758.86	\$ 1,921.74	\$ 2,070.70	\$ 2,231.12	\$ 2,404.62	\$ 2,591.22	\$ 162.88	\$ 148.96	\$ 160.42	\$ 173.50	\$ 186.60	9.3%	7.8%	7.7%	7.8%	7.8%
250	4"	\$ 2,746.16	\$ 2,990.16	\$ 3,221.93	\$ 3,471.54	\$ 3,741.50	\$ 4,031.85	\$ 244.00	\$ 231.77	\$ 249.61	\$ 269.96	\$ 290.35	8.9%	7.8%	7.7%	7.8%	7.8%
Restaurant																	
9	5/8" & 3/4"	\$ 102.39	\$ 109.60	\$ 118.10	\$ 127.25	\$ 137.14	\$ 147.78	\$ 7.21	\$ 8.50	\$ 9.15	\$ 9.89	\$ 10.64	7.0%	7.8%	7.7%	7.8%	7.8%
20	1"	\$ 223.06	\$ 240.32	\$ 258.95	\$ 279.01	\$ 300.71	\$ 324.05	\$ 17.26	\$ 18.63	\$ 20.06	\$ 21.70	\$ 23.34	7.7%	7.8%	7.7%	7.8%	7.8%
50	1.5"	\$ 552.16	\$ 594.09	\$ 640.14	\$ 689.73	\$ 743.37	\$ 801.06	\$ 41.93	\$ 46.05	\$ 49.59	\$ 53.64	\$ 57.69	7.6%	7.8%	7.7%	7.8%	7.8%
70	2"	\$ 771.56	\$ 833.23	\$ 897.82	\$ 967.37	\$ 1,042.60	\$ 1,123.51	\$ 61.67	\$ 64.59	\$ 69.55	\$ 75.23	\$ 80.91	8.0%	7.8%	7.7%	7.8%	7.8%
Brewery																	
20	2"	\$ 223.06	\$ 246.23	\$ 265.32	\$ 285.87	\$ 308.10	\$ 332.01	\$ 23.17	\$ 19.09	\$ 20.55	\$ 22.23	\$ 23.91	10.4%	7.8%	7.7%	7.8%	7.8%
Industrial																	
2	5/8" & 3/4"	\$ 25.60	\$ 27.42	\$ 29.55	\$ 31.84	\$ 34.31	\$ 36.97	\$ 1.82	\$ 2.13	\$ 2.29	\$ 2.47	\$ 2.66	7.1%	7.8%	7.7%	7.8%	7.8%
3	1"	\$ 36.57	\$ 40.74	\$ 43.90	\$ 47.30	\$ 50.98	\$ 54.94	\$ 4.17	\$ 3.16	\$ 3.40	\$ 3.68	\$ 3.96	11.4%	7.8%	7.7%	7.8%	7.8%
12	2"	\$ 135.30	\$ 152.31	\$ 164.12	\$ 176.83	\$ 190.58	\$ 205.37	\$ 17.01	\$ 11.81	\$ 12.71	\$ 13.75	\$ 14.79	12.6%	7.8%	7.7%	7.8%	7.8%
80	3"	\$ 881.26	\$ 982.54	\$ 1,058.70	\$ 1,140.72	\$ 1,229.42	\$ 1,324.82	\$ 101.28	\$ 76.16	\$ 82.02	\$ 88.70	\$ 95.40	11.5%	7.8%	7.7%	7.8%	7.8%

1.6 Residential Regional Bill Comparison

Figure 1-3 shows a residential regional bill comparison including the Homewood's existing rates and proposed 2026 water rates. Note that Homewood's average residential water bill slips to the right in the survey; however, other communities will in all likelihood be increasing rates over time. As noted earlier, nationwide annual household water costs have been increasing about 5 percent per year. If the survey average in Figure 1-3 increased 5 percent in 2026, it would increase to \$50.04/month, and with Homewood aligned reasonably well with the average.

Figure 1-3: Regional Residential Bill Comparison with Proposed Homewood 2026



1.7 Recommendations

We recommend:

- The Village adopt the proposed 2026 and 2027 water rates.
- During FY 2027, reevaluate the systemwide increases proposed for 2028 and beyond to confirm they still reasonable reflect funding needs.
- As a part of this reevaluation, consider the supplemental rate designs in Section 4.0 Appendix - Alternate Rate Designs that further improved fixed cost recovery starting in 2028.

2.0 Financial Planning Analysis

2.1 Introduction

The primary issue addressed in the Financial Planning Analysis is revenue sufficiency. The results of the Financial Planning Analysis answer the questions:

- Are the existing rates adequate?
- If not, what level of overall revenue increase is needed?

To determine if revenues under the existing rates are sufficient to meet the Village's future operating and capital costs, 1898 & Co. prepared an eleven-year financial projection of revenues and expenditures for the water utility. A comparison of projected revenues and expenditures provides insight into the sufficiency of overall revenue levels.

Our approach to Financial Planning involves the following basic steps:

1. Project revenues under existing rates.
2. Project water utility expenditures, including operating and capital costs.
3. Develop an eleven-year financial plan.

The planning period includes the current fiscal year (FY) 2025 as a budget year and a forecast period that extends through FY 2035. The Village's fiscal year ends on April 30, and the projected periods in the financial plan recognize the same fiscal year.

2.2 Water Utility Revenues under Existing Rates

The first step in the Financial Plan Analysis was to project revenues under the existing schedule of rates. To complete this step an analysis of water customers, volumes, and revenues was performed.

2.2.1 Historical and Projected Customers and Volumes

Table 2-1 presents the historical and projected water customers and consumption by customer class served by the Village. Based on discussion with Village staff, customer counts and usage are assumed to remain consistent with historical 2024 levels.

Table 2-1: Historical and Projected Water Accounts and Volume

Line No.	Description	Historical	Projected										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Accounts													
1	RESIDENTIAL	6,058	6,058	6,058	6,058	6,058	6,058	6,058	6,058	6,058	6,058	6,058	6,058
2	MULTI-FAMILY	339	339	339	339	339	339	339	339	339	339	339	339
3	COMMERCIAL	319	319	319	319	319	319	319	319	319	319	319	319
4	RESTAURANT	46	46	46	46	46	46	46	46	46	46	46	46
5	BREWERY	2	2	2	2	2	2	2	2	2	2	2	2
6	INDUSTRIAL	13	13	13	13	13	13	13	13	13	13	13	13
7	Outside Village	-	-	-	-	-	-	-	-	-	-	-	-
8	OTHER	49	49	49	49	49	49	49	49	49	49	49	49
9	Total Accounts	6,826	6,826	6,826	6,826	6,826	6,826	6,826	6,826	6,826	6,826	6,826	6,826
Water Use (KGal)													
10	RESIDENTIAL	281,629	281,630	281,630	281,630	281,630	281,630	281,630	281,630	281,630	281,630	281,630	281,630
11	MULTI-FAMILY	62,909	62,910	62,910	62,910	62,910	62,910	62,910	62,910	62,910	62,910	62,910	62,910
12	COMMERCIAL	62,052	62,050	62,050	62,050	62,050	62,050	62,050	62,050	62,050	62,050	62,050	62,050
13	RESTAURANT	19,278	19,280	19,280	19,280	19,280	19,280	19,280	19,280	19,280	19,280	19,280	19,280
14	BREWERY	238	240	240	240	240	240	240	240	240	240	240	240
15	INDUSTRIAL	2,896	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
16	Outside Village	-	-	-	-	-	-	-	-	-	-	-	-
17	OTHER	7,269	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270	7,270
18	Total Billed Volume	436,271	436,280	436,280	436,280	436,280	436,280	436,280	436,280	436,280	436,280	436,280	436,280

2.2.2 Existing Water Rates

The existing water rate schedule is shown in Table 2-2. Note that the 2025 Inside Village volumetric rate was amended to \$11.29 per 1,000 gallons to reflect changes in the price of water supply from Chicago Heights. This change also impacts the volumetric rates for Sprinklers, Schools and Churches, and Outside Village. The water rate consists of a monthly fixed fee and a monthly volumetric charge per thousand gallons (kgal) of water used. Standard and sprinkler rates are priced the same, while schools and churches reflect a 25 percent discount. Outside Village rates are 1.5 times the Inside Village rates.

Table 2-2: Existing 2025 Water Rates

Standard

Minimum Charge / Administrative Fee	\$	3.66
Volume per 1,000 gal	\$	10.97

Sprinkler

Minimum Charge / Administrative Fee	\$	3.66
Volume per 1,000 gal	\$	10.97

Schools & Churches (Discounted)

Minimum Charge / Administrative Fee	\$	2.75
Volume per 1,000 gal	\$	8.23

Outside Village

Minimum Charge / Administrative Fee	\$	5.49
Volume per 1,000 gal	\$	16.46

2.2.3 User Revenues under Existing Rates

The projection of user charge revenues was estimated based on the forecasted accounts and volumes factored by the schedule of 2025 water rates.

As shown in Table 2-3, water user charge revenues under existing rates are assumed to remain steady during the study period reflecting the projection of stable accounts and volume.

Table 2-3: Historical and Projected Water User Revenues

Line No.	Description	Historical	Projected										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<u>User Revenues under Existing Rates</u>													
1	RESIDENTIAL	\$ 3,290,410	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389	\$ 3,373,389
2	MULTI-FAMILY	\$ 691,694	\$ 709,156	\$ 709,156	\$ 709,156	\$ 709,156	\$ 709,156	\$ 709,156	\$ 709,156	\$ 709,156	\$ 709,156	\$ 709,156	\$ 709,156
3	COMMERCIAL	\$ 684,959	\$ 702,218	\$ 702,218	\$ 702,218	\$ 702,218	\$ 702,218	\$ 702,218	\$ 702,218	\$ 702,218	\$ 702,218	\$ 702,218	\$ 702,218
4	RESTAURANT	\$ 209,410	\$ 214,716	\$ 214,716	\$ 214,716	\$ 214,716	\$ 214,716	\$ 214,716	\$ 214,716	\$ 214,716	\$ 214,716	\$ 214,716	\$ 214,716
5	BREWERY	\$ 2,654	\$ 2,743	\$ 2,743	\$ 2,743	\$ 2,743	\$ 2,743	\$ 2,743	\$ 2,743	\$ 2,743	\$ 2,743	\$ 2,743	\$ 2,743
6	INDUSTRIAL	\$ 31,670	\$ 32,513	\$ 32,513	\$ 32,513	\$ 32,513	\$ 32,513	\$ 32,513	\$ 32,513	\$ 32,513	\$ 32,513	\$ 32,513	\$ 32,513
7	Outside Village	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	OTHER	\$ 61,673	\$ 63,237	\$ 63,237	\$ 63,237	\$ 63,237	\$ 63,237	\$ 63,237	\$ 63,237	\$ 63,237	\$ 63,237	\$ 63,237	\$ 63,237
9	Total Revenue Under Existing Rates	\$ 4,972,470	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972	\$ 5,097,972

2.3 Water Utility Expenditures

Typically, a municipal water utility's primary cash expenditures include the following direct operating and capital costs:

- Operation and Maintenance (O&M) Expenses
- Capital Improvement Program Expenditures (CIP)
- Debt Service Principal and Interest Payments

Each of these cash obligations is described further below.

2.3.1 O&M Expenses

Table 2-4 presents the recent water O&M expense history and the projection of water system O&M expenses through the 2035 planning period. Expenses summarized in Table 2-4 reflect operating costs only; costs related to capital projects are excluded from this table and are addressed in the next section of this report.

The water utility has full responsibility for water acquisition and water distribution costs, and partial responsibility for water / sewer meters & lift stations and utilities administration. In the water allocation column, the percentage applicable to water is noted. For costs not allocated 100 percent to water, the remaining percentage allocation is applicable to the sewer utility.

In general, projected O&M expenses are anticipated to increase from budgeted 2025 amounts about 3.2 percent per year, reflecting a 4 percent per year inflation on personnel- related costs and 3 percent on all other costs. A notable exception is the forecast for East Hazel Crest water purchases on Line 14, which is increasing in accordance with the demand estimates for the new casino.

Table 2-4: Historical and Projected Water Operation and Maintenance Expenses

Line No.	Description	Water Allocation	Historical			Budgeted		Projected									
			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
WATER ACQUISITION 331																	
1	FULL TIME	100%	27,073	30,621	98,700	86,404	89,900	93,500	97,200	101,100	105,100	109,300	113,700	118,200	122,900	127,800	
2	OVERTIME WATER ACQUISITION	100%	310	2,556	949	250	300	300	300	300	300	300	300	300	300	300	
3	LONGEVITY	100%	190	190	475	475	500	500	500	500	500	500	500	500	500	500	
4	GROUP INSURANCE	100%	6,683	6,420	35,891	22,620	23,500	24,400	25,400	26,400	27,500	28,600	29,700	30,900	32,100	33,400	
5	CONTRACTING/CONSULTING SERVICES	100%	15,903	6,153	3,550	17,400	17,900	18,400	19,000	19,600	20,200	20,800	21,400	22,000	22,700	23,400	
6	LAB SERVICE	100%	2,505	7,841	16,443	16,000	16,500	17,000	17,500	18,000	18,500	19,100	19,700	20,300	20,900	21,500	
7	BUILDING REPAIRS	100%	11,118	7,066	3,264	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500	
8	ENERGY	100%	68,377	87,040	110,562	100,000	103,000	106,100	109,300	112,600	116,000	119,500	123,100	126,800	130,600	134,500	
9	OPERATING SUPPLIES	100%	14,334	27,601	26,151	20,000	20,600	21,200	21,800	22,500	23,200	23,900	24,600	25,300	26,100	26,900	
10	LAB SUPPLIES	100%	-	-	907	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
11	MATERIALS & CHEMICALS	100%	1,443	1,731	9,220	10,000	10,300	10,600	10,900	11,200	11,500	11,800	12,200	12,600	13,000	13,400	
12	WATER PURCHASED	100%	2,555,975	2,394,145	2,056,561	1,810,562	1,862,916	1,919,632	1,976,348	2,037,428	2,098,507	2,159,586	2,225,028	2,290,470	2,360,275	2,430,080	
13	WATER PURCHASED - FLOSSMOOR	100%	-	103,598	1,425,651	1,258,720	1,295,117	1,334,546	1,373,976	1,416,439	1,458,902	1,501,365	1,546,861	1,592,357	1,640,885	1,689,414	
14	WATER PURCHASED - EHC	100%	-	-	57,269	154,308	193,631	269,259	277,214	285,782	294,349	302,916	312,096	321,275	331,066	340,858	
15	TOTAL WATER ACQUISITION		2,703,911	2,674,962	3,845,593	3,501,238	3,638,763	3,820,137	3,934,239	4,056,748	4,179,558	4,302,767	4,434,384	4,566,302	4,706,727	4,847,552	
WATER DISTRIBUTION 332																	
16	FULL TIME	100%	266,115	306,118	271,565	251,230	261,300	271,800	282,700	294,000	305,800	318,000	330,700	343,900	357,700	372,000	
17	OVERTIME WATER DISTRIBUTION	100%	54,743	29,631	32,973	120,000	124,800	129,800	135,000	140,400	146,000	151,800	157,900	164,200	170,800	177,600	
18	LONGEVITY	100%	2,475	1,650	2,475	1,265	1,300	1,400	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	
19	PART TIME	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	GROUP INSURANCE	100%	73,373	74,546	94,380	117,507	122,200	127,100	132,200	137,500	143,000	148,700	154,600	160,800	167,200	173,900	
21	WORKERS COMPENSATION	100%	-	20,887	-	11,600	12,100	12,600	13,100	13,600	14,100	14,700	15,300	15,900	16,500	17,200	
22	CONTRACTING/CONSULTING SERVICES	100%	10,537	15,285	15,315	20,000	20,600	21,200	21,800	22,500	23,200	23,900	24,600	25,300	26,100	26,900	
23	BLACK DIRT	100%	1,320	1,330	2,375	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	
24	DUMP CHARGES	100%	25,350	32,016	31,495	35,000	36,100	37,200	38,300	39,400	40,600	41,800	43,100	44,400	45,700	47,100	
25	OPERATING SUPPLIES	100%	41,341	63,843	58,963	55,000	56,700	58,400	60,200	62,000	63,900	65,800	67,800	69,800	71,900	74,100	
26	MATERIALS & CHEMICALS	100%	-	-	3,413	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	
27	ASPHALT	100%	8,740	13,532	12,203	7,500	7,700	7,900	8,100	8,300	8,500	8,800	9,100	9,400	9,700	10,000	
28	STONE (INTERNAL)	100%	20,406	27,379	13,316	36,670	37,800	38,900	40,100	41,300	42,500	43,800	45,100	46,500	47,900	49,300	
29	CONCRETE (CONTRACTED)	100%	31,000	31,000	32,193	40,000	41,200	42,400	43,700	45,000	46,400	47,800	49,200	50,700	52,200	53,800	
30	OPERATING EQUIPMENT	100%	-	3,682	2,097	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	
31	HYDRANT PARTS-REPAIR & REPLACEMENT	100%	20,863	16,875	22,361	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	3,500	
32	VALVE PARTS	100%	2,329	6,885	9,865	10,000	10,300	10,600	10,900	11,200	11,500	11,800	12,200	12,600	13,000	13,400	
33	FOOD ALLOWANCE	100%	138	178	536	500	500	500	500	500	500	500	500	500	500	500	
34	TOTAL WATER DISTRIBUTION		558,730	644,837	605,525	721,271	748,200	776,000	804,900	834,700	865,700	897,800	931,200	965,800	1,001,700	1,039,000	
WATER SEWER METERS & LIFT STATIONS 334																	
35	FULL TIME	50%	115,634	107,733	77,792	74,175	77,100	80,200	83,400	86,700	90,200	93,800	97,600	101,500	105,600	109,800	
36	OVERTIME METERS & LIFT STATION	50%	4,007	10,859	1,826	9,500	9,900	10,300	10,700	11,100	11,500	12,000	12,500	13,000	13,500	14,000	
37	LONGEVITY	50%	760	760	475	475	500	500	500	500	500	500	500	500	500	500	
38	GROUP INSURANCE	50%	27,128	26,138	30,105	23,500	24,400	25,400	26,400	27,500	28,600	29,700	30,900	32,100	33,400	34,700	
39	UNIFORM ALLOWANCE	50%	6,577	5,987	8,774	8,750	9,100	9,500	9,900	10,300	10,700	11,100	11,500	12,000	12,500	13,000	
40	CONTRACTING/CONSULTING SERVICES	50%	1,546	2,124	1,195	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	
41	OUTSIDE CONTRACTING	50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
42	LARGE METER TEST PROGRAM	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43	EQUIPMENT RENTAL	50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
44	EQUIPMENT MAINTENANCE & REPAIR	50%	5,981	4,135	9,158	12,500	12,900	13,300	13,700	14,100	14,500	14,900	15,300	15,800	16,300	16,800	
45	WATER MAIN LEAK DETECTION	100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
46	BUILDING REPAIRS	50%	-	-	158	500	500	500	500	500	500	500	500	500	500	500	
47	ENERGY	50%	26,696	27,072	33,185	30,000	30,900	31,800	32,800	33,800	34,800	35,800	36,900	38,000	39,100	40,300	
48	DEPRECIATION EXPENSE	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
49	PUMP & LIFT STATIONS SUPPLIES	50%	8,501	6,395	2,514	16,000	16,500	17,000	17,500	18,000	18,500	19,100	19,700	20,300	20,900	21,500	
50	OPERATING SUPPLIES	50%	1,162	1,270	1,165	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
51	OPERATING EQUIPMENT	50%	5,602	4,873	9,220	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	
52	METERS NEW CONSTRUCTION	100%	-	3,235	2,056	5,500	5,700	5,900	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500	
53	METER PARTS	100%	4,945	4,973	5,136	500	500	500	500	500	500	500	500	500	500	500	
54	METER REPLACEMENTS	100%	9,089	4,749	20,373	65,000	67,000	69,000	71,100	73,200	75,400	77,700	80,000	82,400	84,900	87,400	
55	WATER METER TESTING	100%	2,350	-	2,893	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	
56	TOTAL WATER SEWER METERS & LIFT STATIONS		219,976	210,301	206,023	261,900	271,000	280,400	290,100	300,000	310,200	320,800	331,800	343,200	355,000	367,000	
UTILITIES ADMINISTRATION 335																	
57	GASB 68 PENSION EXPENSE	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
58	FULL TIME	65%	259,338	275,768	301,057	273,255	284,200	295,600	307,400	319,700	332,500	345,800	359,600	374,000	389,000	404,600	
59	OVERTIME WATER ADMINISTRATION	65%	717	1,310	1,558	3,250	3,400	3,500	3,600	3,700	3,800	4,000	4,200	4,400	4,600	4,800	
60	DEFERRED INCOME	65%	782	782	679	593	600	600	600	600	600	600	600	600	600	600	
61	LONGEVITY	65%	1,203	1,203	1,333	975	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
62	PART TIME	65%	20,235	6,453	18,596	10,779	11,200	11,600	12,100	12,600	13,100	13,600	14,100	14,700	15,300	15,900	
63	GROUP INSURANCE	65%	51,258	53,017	39,606	65,939	68,600	71,300	74,200	77,200	80,300	83,500	86,800	90,300	93,900	97,700	
64	GROUP INSURANCE OPT-OUT	65%	1,501	4,029	2,832	2,730	2,800	2,900	3,000	3							

2.3.2 Projected Capital Improvement Expenditures

Table 2-5 shows the projected capital improvement expenditures (CIP) identified by the Village for the 2025 to 2035 planning period.

Table 2-5: Water Capital Improvement Program

Line No.	Projects	Water Allocation	Projected										
			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Factor											
1	Water Plant #1 Upgrade	100%	-	588,000	-	-	-	-	-	-	-	-	-
2	183rd & Kedzie Pressure Control Valves	100%	-	-	-	-	443,300	-	-	-	-	-	-
3	West Side Tank Painting	100%	-	496,100	-	-	-	-	-	-	-	-	-
4	East Side Tank Painting	100%	-	-	-	-	-	570,100	-	-	-	-	-
5	Ground Reservoir Painting	100%	-	-	-	-	-	-	-	-	-	-	895,900
6	Central Water Tower Replacement	100%	98,700	-	6,199,100	134,100	-	-	-	-	-	-	-
7	Backhoe #207 (50% budgeted in General Capital)	50%	94,400	-	-	-	-	-	-	-	-	-	-
8	Upgrade PLCs and Radios at all Stations	100%	-	153,300	145,900	160,800	177,300	195,500	-	-	-	-	-
9	Replacement of PW Radio System (50% in General Capital)	50%	42,800	-	-	-	-	-	-	-	-	-	-
10	Dump Truck	100%	-	94,500	-	-	-	-	-	-	-	-	-
11	Dig Truck	100%	-	-	441,000	-	-	-	-	-	-	-	-
12	3rd Addition watermain replacement	100%	-	-	-	-	-	-	-	-	-	-	-
13	Lead Line Replacement	100%	-	3,597,800	6,649,300	6,996,200	7,343,100	7,690,100	8,037,000	8,495,400	8,902,700	9,310,000	9,590,300
14	Watermain Idlewild - Dixie to Ashland	[2]	100%	1,375,800	-	-	-	-	-	-	-	-	-
15	Watermain Spruce - Dixmoor to Golfview	[2]	100%	-	1,045,300	-	-	-	-	-	-	-	-
16	Watermain Cherrywood - Salfish to Tarpon	[2]	100%	-	-	1,215,000	-	-	-	-	-	-	-
17	Watermain Cherrywood - Virginia to Debra	[2]	100%	-	-	-	1,637,300	-	-	-	-	-	-
18	Watermain Dundee - 175th to Hawthorne	[2]	100%	-	-	-	-	1,047,400	-	-	-	-	-
19	Watermain 191st St Center to B Carey Training Center	[2]	100%	-	-	-	-	-	1,025,200	-	-	-	-
20	Watermain Ridge Road - Harwood to Dixie	[2]	100%	-	-	-	-	-	-	689,000	-	-	-
21	Watermain Poplar Avenue - Hillview to evergreen	[2]	100%	-	-	-	-	-	-	-	788,500	-	-
22	Watermain Riegel Road - Birch to 187th	[2]	100%	-	-	-	-	-	-	-	-	3,405,900	-
23	Watermain East Lyn Court - Willow to Poplar	[2]	100%	-	-	-	-	-	-	-	-	-	1,363,000
24	Watermain Pierce Terrace - Evergreen to Birch	100%	-	-	-	-	-	-	-	-	-	-	-
25	Watermain Evergreen Road - Center to Pierce	100%	-	-	-	-	-	-	-	-	-	-	-
26	Watermain Birch Road - Center to Pierce	100%	-	-	-	-	-	-	-	-	-	-	-
27	Long Term Watermain Replacement Allowance	100%	-	-	-	-	-	-	-	-	-	-	-
28	Capital Contingency	100%	25,400	31,500	33,100	34,700	36,500	38,300	40,200	42,200	44,300	46,500	48,900
29	Total Capital Improvements		261,300	6,337,000	14,513,700	8,540,800	9,637,500	9,541,400	9,102,400	9,226,600	9,735,500	12,762,400	11,898,100

[1] Inflating 5% per year from 2026 through 2029 and 3% per year thereafter

[2] Watermain replacement projects include a small amount of LSLR replacements which are expected to happen during the watermain work

2.3.3 Existing and Proposed Debt Service Requirements

Table 2-6 shows the existing and proposed debt service for the water utility. Currently the utility has no outstanding debt. Proposed debt payments have been estimated in this study for the purpose of forecasting revenue requirements and user charge development and are not intended to be financial advice regarding the type of debt and structure of payments for the Village.

Debt issuances are anticipated to fund the lead service line replacement through proposed Illinois Environmental Protection Agency (IEPA) loans, and to fund other capital improvements through proposed revenue bonds. Lines 3 through 7 show anticipated revenue bond debt issues which would otherwise not be fundable without dramatic increases in water rates. Debt payments reflect an equal annual structure, a 20-year repayment term, 1 percent issuance expense and 4.5 percent average interest, with payments starting 1 year after issuance.

Lead service line loans are shown on Lines 8 through 18. The loan for 2026 has been approved by IEPA and included principal forgiveness in the amount of \$2 million. Generally speaking, principal forgiveness may be awarded for lead service line replacement in economically disadvantaged census tracts. Principal forgiveness may be granted for subsequent lead service line loans, but IEPA's loan program requires annual application and the degree to which principal forgiveness is granted will be known year by year. The Village's approach to lead service line replacement is to prioritize disadvantaged census tracts to be completed first, to reduce the risk that such incentive could be phased out by IEPA over time. To be cautious in forecasting, the plan does not rely on principal forgiveness for future loans, although it will be pursued by the Village. Interest rates on lead service line loans are expected to be 0 percent throughout the program, and a 30-year repayment period, with payments starting the mid-year after each annual program is completed with full payments starting within 18 months of completion.

Table 2-6: Existing and Proposed Water Debt Service

Line No.	Description	Projected										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<u>Existing Debt Issues</u>												
1	N/A	-	-	-	-	-	-	-	-	-	-	-
2	Total Existing Debt Service	-	-	-	-	-	-	-	-	-	-	-
<u>Net Bond</u>												
<u>Proposed Revenue Bonds [1]</u>												
3	Revenue Bond Series: 2026	10,557,300	-	-	874,000	874,000	874,000	874,000	874,000	874,000	874,000	874,000
4	Revenue Bond Series: 2029	4,153,200	-	-	-	-	343,800	343,800	343,800	343,800	343,800	343,800
6	Revenue Bond Series: 2033	5,557,400	-	-	-	-	-	-	-	-	460,100	460,100
7	Subtotal Revenue Bond Debt	-	-	874,000	874,000	874,000	1,217,800	1,217,800	1,217,800	1,217,800	1,677,900	1,677,900
<u>Gross Loan</u> <u>Net Loan to</u>												
<u>Proceeds [2]</u> <u>Repay [2]</u>												
8	IEPA Loan Series: 2026 [3]	3,597,825	1,597,825	-	-	26,650	53,300	53,300	53,300	53,300	53,300	53,300
9	IEPA Loan Series: 2027 [3]	6,649,300	6,649,300	-	-	-	110,800	221,600	221,600	221,600	221,600	221,600
10	IEPA Loan Series: 2028 [3]	6,996,220	6,996,220	-	-	-	-	116,600	233,200	233,200	233,200	233,200
11	IEPA Loan Series: 2029 [3]	7,343,140	7,343,140	-	-	-	-	-	122,400	244,800	244,800	244,800
12	IEPA Loan Series: 2030 [3]	7,690,060	7,690,060	-	-	-	-	-	-	128,150	256,300	256,300
13	IEPA Loan Series: 2031	8,036,980	8,036,980	-	-	-	-	-	-	-	133,950	267,900
14	IEPA Loan Series: 2032	8,495,375	8,495,375	-	-	-	-	-	-	-	-	267,900
15	IEPA Loan Series: 2033	8,902,688	8,902,688	-	-	-	-	-	-	-	141,600	283,200
16	IEPA Loan Series: 2034	9,310,000	9,310,000	-	-	-	-	-	-	-	-	283,200
17	IEPA Loan Series: 2035	9,590,280	9,590,280	-	-	-	-	-	-	-	-	296,800
18	Subtotal IEPA Loan Debt	76,611,868	74,611,868	-	-	26,650	164,100	391,500	630,500	881,050	1,143,150	1,418,700
19	Total Proposed Debt	-	-	900,650	1,038,100	1,265,500	1,848,300	2,098,850	2,360,950	2,636,500	3,386,600	3,690,150

[1] Assumed debt issuance with equal annual payments starting the year after issuance. Terms reflect 1% issuance expense, 20 year term and 4.50% interest.

[1] Assumes debt issuance includes proceeds designated to fund a bond reserve.

[2] Proposed IEPA loans assume 0% interest over 30 years.

[2] Loan repayment assumed to at the end of the annual LSLR construction cycle. Construction is anticipated to last the entire year.

[2] Each year of LSLR projects is its own distinct loan.

[3] LSLR Loans in disadvantaged census tracts.

2.3.4 Water Utility Flow of Funds

Table 2-7 presents the water utility cashflow. Line 1 of Table 2-7 shows retail water revenues under existing rates, identified previously in Table 2-3.

Lines 2 through 11 present the proposed retail water revenue increases through 2035. Total retail user charge revenues are summarized on Line 13.

The Village provides wholesale water service to Flossmoor and East Hazel Crest, which are subject contractually to maximum annual increases of 3 percent per year, which has been reflected in the forecast starting in 2026.

Miscellaneous revenues are shown on Line 15 and are primarily derived from forfeited discounts, miscellaneous revenues, water/sewer liens, and employee insurance contributions. For the purpose of this study those budgeted revenues are assumed to be allocable 50 percent to the water utility. The grand total revenue is summarized on Line 16, which includes retail and wholesale revenues, and non-user charge revenue.

Total water O&M expenses are shown on Line 17, shown previously in Table 2-4. Line 18 shows a transfer to the Village General Fund for vehicles, which is assumed to be 50 percent allocable to the water utility and inflating at 3 percent annually.

The water utility's proposed debt payments are shown on Lines 20 through 23, previously shown in Table 2-6. The utility has no outstanding debt, but IEPA loans and utility-backed revenue bonds are anticipated to help fund upcoming capital improvements.

Total revenue requirements are summarized on Line 24. This amount is deducted from Line 16, total revenue, to determine the annual operating balance, which is projected to be positive throughout the forecast period, as can be seen on Line 25.

Table 2-7: Water Utility Operating and Capital Flow of Funds

Line No.	Description	Projected										
		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Water Utility Operating Flow of Funds												
1	Revenue Under Existing Water Rates	5,097,972	5,097,972	5,097,972	5,097,972	5,097,972	5,097,972	5,097,972	5,097,972	5,097,972	5,097,972	5,097,972
Proposed Revenue Adjustments												
	Year	Month	Increase									
2	2026	2	7.75%	362,200	395,100	395,100	395,100	395,100	395,100	395,100	395,100	395,100
3	2027	2	7.75%		390,200	425,700	425,700	425,700	425,700	425,700	425,700	425,700
4	2028	2	7.75%			420,500	458,700	458,700	458,700	458,700	458,700	458,700
5	2029	2	7.75%				453,100	494,300	494,300	494,300	494,300	494,300
6	2030	2	7.75%					488,200	532,600	532,600	532,600	532,600
7	2031	2	7.75%						526,000	573,800	573,800	573,800
8	2032	2	7.75%							566,800	618,300	618,300
9	2033	2	7.75%								610,700	666,200
10	2034	2	7.75%									658,000
11	2035	2	6.00%									548,900
12	Total Proposed Additional Revenue			-	362,200	785,300	1,241,300	1,732,600	2,262,000	2,832,400	3,447,000	4,109,200
13	Total Water User Charge Revenue			5,097,972	5,460,172	5,883,272	6,339,272	6,830,572	7,359,972	7,930,372	8,544,972	9,207,172
14	Projected Wholesale Revenue [1]			1,658,179	1,744,639	1,878,721	1,935,121	1,993,121	2,052,921	2,114,521	2,177,921	2,243,221
15	Other Water Fund Revenue			104,838	119,000	119,000	119,000	119,000	119,000	119,000	119,000	119,000
16	Grand Total Water Revenue			6,860,989	7,323,811	7,880,993	8,393,393	8,942,693	9,531,893	10,163,893	10,841,893	11,569,393
Revenue Requirements												
17	Total O&M			5,554,914	5,764,063	6,019,337	6,210,139	6,411,548	6,616,058	6,824,067	7,043,384	7,266,202
18	Transfer to General Funds (Vehicles) [2]			181,446	189,717	195,408	201,270	207,308	213,528	219,933	226,531	233,327
19	Total O&M			5,736,360	5,953,780	6,214,745	6,411,409	6,618,857	6,829,585	7,044,001	7,269,916	7,499,529
Debt Service												
20	Existing Debt			-	-	-	-	-	-	-	-	-
21	IEPA Proposed Debt			-	-	26,650	164,100	391,500	630,500	881,050	1,143,150	1,418,700
22	Proposed Revenue Bond Debt			-	-	874,000	874,000	874,000	1,217,800	1,217,800	1,217,800	1,677,900
23	Total Debt Service			-	-	900,650	1,038,100	1,265,500	1,848,300	2,098,850	2,360,950	2,636,500
24	Total Revenue Requirements			5,736,360	5,953,780	7,115,395	7,449,509	7,884,357	8,677,885	9,142,851	9,630,866	10,136,029
25	Annual Operating Balance			1,124,629	1,370,031	765,597	943,883	1,058,336	854,007	1,021,042	1,211,027	1,433,364
26	Beginning Balance [3]			1,250,000	1,369,700	1,421,300	1,484,200	1,531,300	1,580,900	1,631,400	1,682,600	1,736,700
27	Annual Operating Balance			1,124,629	1,370,031	765,597	943,883	1,058,336	854,007	1,021,042	1,211,027	1,433,364
28	Transfers to Capital			(1,004,929)	(1,318,431)	(702,697)	(896,783)	(1,008,736)	(803,507)	(969,842)	(1,156,927)	(1,378,364)
29	Ending Balance			1,369,700	1,421,300	1,484,200	1,531,300	1,580,900	1,631,400	1,682,600	1,736,700	1,791,700
30	Op. Reserve Target [4]			1,369,700	1,421,300	1,484,200	1,531,300	1,580,900	1,631,400	1,682,600	1,736,700	1,791,700
Water Utility Capital Flow of Funds												
Sources												
31	Beginning Capital Balance [3]			1,178,377	1,922,023	10,944,825	3,783,144	3,135,338	5,958,124	4,910,252	4,814,721	5,240,420
32	Transfer from Operations			1,004,929	1,318,431	702,697	896,783	1,008,736	803,507	969,842	1,156,927	1,378,364
33	Tax Revenue			-	-	-	-	-	-	-	-	-
34	IEPA Loans			-	3,597,825	6,649,300	6,996,220	7,343,140	7,690,060	8,036,980	8,495,375	8,902,688
35	Revenue Bond Debt Issuance			-	10,557,300	-	-	4,153,200	-	-	-	5,557,400
36	Total Capital Sources			2,183,306	17,395,579	18,296,822	11,676,148	15,640,414	14,451,692	13,917,075	14,467,023	21,078,871
Uses												
37	Lead Line Costs			-	3,597,825	6,649,300	6,996,220	7,343,140	7,690,060	8,036,980	8,495,375	8,902,688
38	CIP (Bond Fundable)			98,700	1,963,815	7,244,417	1,349,096	2,080,582	1,047,444	1,025,173	689,029	788,474
39	CIP (Cash Fundable)			162,583	775,425	619,961	195,494	213,842	803,935	40,200	42,200	44,300
40	Debt Issuance Expense			-	113,689	-	-	44,725	-	-	-	59,846
41	Total Capital Uses			261,283	6,450,754	14,513,678	8,540,810	9,682,289	9,541,439	9,102,353	9,226,604	9,795,307
42	Annual Capital Balance			1,922,023	10,944,825	3,783,144	3,135,338	5,958,124	4,910,252	4,814,721	5,240,420	11,283,564
43	Total End of Year Cash			3,291,723	12,366,125	5,267,344	4,666,638	7,539,024	6,541,652	6,497,321	6,977,120	13,075,264
44	Debt Service Coverage [5]			-	-	1.85	1.91	1.84	1.46	1.49	1.51	1.54

[1] Assuming 3% increase in wholesale water rates

[2] Inflating cost 3% per year

[3] Estimated balances split 50/50 between water and sewer

[4] Based on 90 days operation and maintenance expense

[5] Minimum debt service coverage target is 1.20

Lines 26 through 30 project the fund balance sources and uses for the utility. Sources include the beginning fund balance plus the annual operating balance. The 2025 beginning balance of \$1.25 million assumes 50 percent of the balance available at the beginning of FY 2025 is allocable to water. The annual operating cash flow from Line 25 is shown on Line 27. As a matter of policy the Village strives to maintain at least 90 days (about 25 percent) of annual O&M as a reserve. The minimum reserve target is calculated on Line 30. Any

monies projected to be available above this minimum are transferred for use in funding capital projects or providing capital liquidity, as shown on Line 28.

The capital flow of funds is shown on Lines 31 through 42. Sources include a beginning balance assumed to be 50 percent allocable to water, transfer from operations and debt issuance in the form of IEPA loans and revenue bonds. Revenue bond proceeds on Line 35 have been sized to fund 3 years each of bond fundable CIP on Line 38. Specifically, bond fundable projects are anticipated to include watermain replacement, the Central Water Tower, and water plant upgrades. Line 33 tax revenue is recognized as a potential source of funds stemming from a non-home rule sales tax, but no such proceeds are relied upon in Table 2-7. Uses of funds include annual capital projects and debt issuance costs associated with utility revenue bond debt issuance. The ending capital fund balance on Line 42 includes unspent transfers from the operating fund and unspent revenue bond proceeds. Total end of year cash is shown on Line 43 and includes the operating reserve from Line 29 and the capital ending balance on Line 42.

The debt service coverage ratio is shown on Line 44. The minimum required debt service coverage ratio is 1.20x but as shown on Line 44 is higher than the minimum and stabilizes at about 1.36 at the end of the study period. Note that this calculation includes all revenue bond and IEPA debt. Should the utility move forward with the issuance of utility revenue bond debt, debt covenants will be established with the first issue with assistance from the Village's bond counsel and financial advisor. Debt service coverage should be evaluated further as those terms are settled.

In the development of the financial plan, assumptions were necessary regarding future conditions that impact projected water revenue increases. As a result, there are risks (i.e. ways in which revenue increases may be higher than proposed in Table 2-7), and opportunities (i.e. ways in which revenue increases may be lower than proposed in Table 2-7) inherent in the cash flow projections.

Risks include:

- Reduced funding for IEPA loans, which could limit the availability of loans from IEPA, the primary funding mechanism anticipated for lead service line replacement. It is currently assumed IEPA will be able to provide 0% interest loans for all lead service line project costs.
- Periods of higher inflation on operating costs (3.2 percent assumed) or project costs (5.0 percent assumed, excluding lead service lines)
- Higher interest rates on debt including IEPA loans (0.0 percent assumed) and other potential bonds (4.5 percent assumed)

Opportunities include:

- Principal forgiveness on IEPA lead service line loans. No principal forgiveness has been relied upon in the development of future cash flows.
- Potential for 40-year loans on IEPA lead service line loans, which are currently assumed to be 30 years.
- Regulatory relief in the form of additional time beyond 2035 to complete the lead service line replacement.
- Potential non-home rule sales tax being approved by the Village. If approved, it is possible the non-home rule sales tax proceeds could be used to back the issuance of debt to assist in funding lead service lines. No sales tax proceeds have been assumed in the development of future cash flows.

3.0 Retail Water Rate Design

3.1 Introduction

The primary focus of Rate Design is to develop a five-year projection of retail water rates that generates revenues to achieve proposed revenue increases identified in Table 2-7 and improves fixed cost recovery.

3.2 Existing Retail Water Rates

Table 3-1 shows the existing retail water rates. The Village's existing Inside Village water rates include a fixed charge of \$3.66 per month and a volumetric charge of \$10.97 for each 1,000 gallons of water use. These rates are charged to all applicable classes including sprinkler accounts. Outside Village rates are structured identically and reflect a 1.5x multiplier over Inside Village rates. Water rates applicable to schools and churches are also structured identically to Inside Village rates and reflect a 25 percent discount.

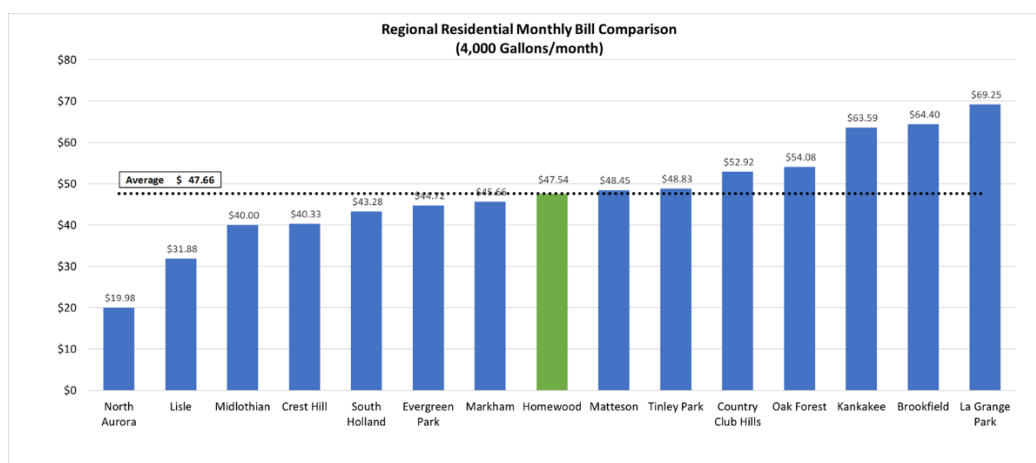
Table 3-1: Existing 2025 Water Rates

<u>Standard</u>		
Minimum Charge / Administrative Fee	\$	3.66
Volume per 1,000 gal	\$	10.97
<u>Sprinkler</u>		
Minimum Charge / Administrative Fee	\$	3.66
Volume per 1,000 gal	\$	10.97
<u>Schools & Churches (Discounted)</u>		
Minimum Charge / Administrative Fee	\$	2.75
Volume per 1,000 gal	\$	8.23
<u>Outside Village</u>		
Minimum Charge / Administrative Fee	\$	5.49
Volume per 1,000 gal	\$	16.46

3.3 Residential Rate Benchmarking

As a part of the rate study, a survey of regional water providers was conducted to compare the cost of monthly water bills for an average household. Figure 3-1 shows the results of the survey. Under existing rates, Homewood's average water bill is comparable to the survey average for a household using 4 kgal/month.

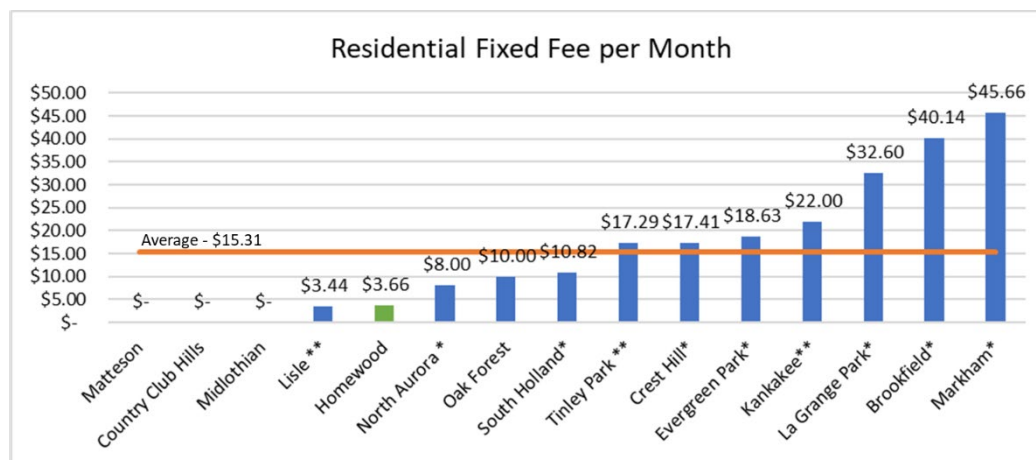
Figure 3-1: Regional Residential Bill Comparison



One of the advantages of the current rate structure is that it is understood by water customers and is relatively easy to explain. However, the current water rate structure provides relatively low fixed cost recovery. The existing rate design exposes the water utility to revenue volatility that would occur in the event that usage declines, which may occur as a result of cooler and/or wetter weather in the peak use summer months.

Under current rates, it is estimated that roughly \$300,000 of the \$5.1 million in retail rate revenue comes from fixed fees, representing about 6% of the retail revenue stream. In our experience this is a low rate of fixed cost recovery. To support this assertion, rate benchmarking was performed as part of the Study. Figure 3-2 shows the fixed fees in place for 14 other regional water utilities. As shown in Figure 3-2, the Village's existing fixed fee of \$3.66 ranks among the lowest. Note that a few of the utilities include a usage allowance that averages about 1.5 to 2.0 kgal/month, which is one way to increase the proportion of revenue coming from fixed fees.

Figure 3-2: Residential Fixed Fee Survey

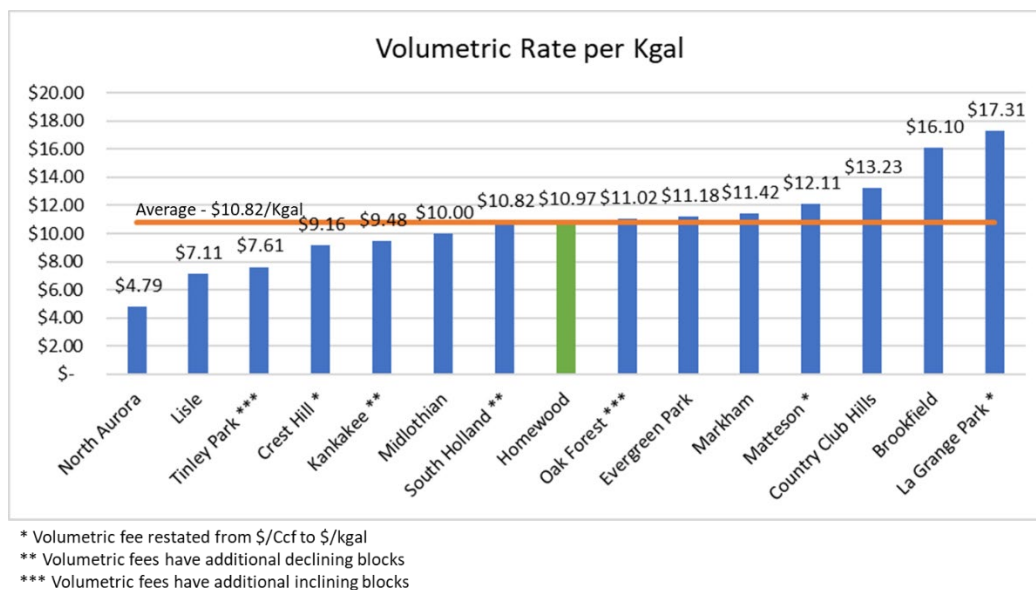


* Fee includes usage allowance, most common about 1.5-2 kgal/mo

** Fee increased by meter size, 5/8" – 3/4" generally residential

Figure 3-3 shows the results of the volumetric fee survey for the same communities. Results indicate Homewood's volumetric rate is very comparable to the survey average. Note that Homewood's Inside Village water rate was amended to \$11.29 per 1,000 gallons in March 2025 to reflect changes in water supply from Chicago Heights.

Figure 3-3: Residential Volumetric Fee Survey



Using the observations from the rate benchmarking, and in consultation with the Village, three rate design alternatives were prepared. The Village ultimately elected to move forward with a monthly fixed fee that increases in accordance with meter size and sustains the current uniform approach to volumetric pricing, with all units priced per 1,000 gallons used.

3.4 Proposed Retail Water Rates

Table 3-2 shows the existing and proposed water rates, including a structural change in the monthly fixed charge, which is proposed to increase in accordance with meter size. A fixed fee that increases by meter size is a common structure and will help the utility improve the amount of revenue derived from fixed charges. Volumetric fees sustain the existing structure, to be billed for each 1,000 gallons of water usage. The Outside Village multiplier of 1.5x and the schools and churches discount of 25% are proposed to continue.

Retail rates developed for 2026 reflect the structure change in the fixed fee, with the volumetric fee then set to produce the indicated overall 7.75 percent revenue increase. As designed, the fixed revenue stream would increase from about 6 percent to about 6.5% by the end of 2026.

Retail rates proposed for 2027 through 2030 reflect a proportionate increase in all retail user charges of 7.75 percent, in alignment with the overall systemwide increase proposed each year. It is proposed that the Village adopt the first two years of proposed rates for 2026 and 2027 and then re-evaluate the systemwide increases proposed for subsequent years to confirm they still reasonably reflect funding needs. At that point, the outcome of the risks and opportunities discussed in this section may be more certain, and refinement in the financial plans may be warranted.

Table 3-2: Existing and Proposed Water Rates

Line No.	Description	Meter Size	Existing		Proposed				
			2025	2026	2027	2028	2029	2030	
1	Proposed Annual Water Rate Increases			7.75%	7.75%	7.75%	7.75%	7.75%	
<u>Inside Village Customers</u>									
2	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 3.66	\$ 3.94	\$ 4.25	\$ 4.58	\$ 4.93	\$ 5.31	
3	Service Charge (\$/Mo.)	1	\$ 3.66	\$ 5.52	\$ 5.95	\$ 6.41	\$ 6.91	\$ 7.45	
4	Service Charge (\$/Mo.)	1.5	\$ 3.66	\$ 7.09	\$ 7.64	\$ 8.23	\$ 8.87	\$ 9.56	
5	Service Charge (\$/Mo.)	2	\$ 3.66	\$ 11.43	\$ 12.32	\$ 13.27	\$ 14.30	\$ 15.41	
6	Service Charge (\$/Mo.)	3	\$ 3.66	\$ 43.34	\$ 46.70	\$ 50.32	\$ 54.22	\$ 58.42	
7	Service Charge (\$/Mo.)	4	\$ 3.66	\$ 55.16	\$ 59.43	\$ 64.04	\$ 69.00	\$ 74.35	
8	Service Charge (\$/Mo.)	6	\$ 3.66	\$ 82.74	\$ 89.15	\$ 96.06	\$ 103.50	\$ 111.52	
9	Volume Charge (\$/1,000 Gal.) *		\$ 10.97	\$ 11.74	\$ 12.65	\$ 13.63	\$ 14.69	\$ 15.83	
<u>Outside Village Customers</u>									
10	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 5.49	\$ 5.91	\$ 6.38	\$ 6.87	\$ 7.40	\$ 7.97	
11	Service Charge (\$/Mo.)	1	\$ 5.49	\$ 8.28	\$ 8.93	\$ 9.62	\$ 10.37	\$ 11.18	
12	Service Charge (\$/Mo.)	1.5	\$ 5.49	\$ 10.64	\$ 11.46	\$ 12.35	\$ 13.31	\$ 14.34	
13	Service Charge (\$/Mo.)	2	\$ 5.49	\$ 17.15	\$ 18.48	\$ 19.91	\$ 21.45	\$ 23.12	
14	Service Charge (\$/Mo.)	3	\$ 5.49	\$ 65.01	\$ 70.05	\$ 75.48	\$ 81.33	\$ 87.63	
15	Service Charge (\$/Mo.)	4	\$ 5.49	\$ 82.74	\$ 89.15	\$ 96.06	\$ 103.50	\$ 111.53	
		6	\$ 5.49	\$ 124.11	\$ 133.73	\$ 144.09	\$ 155.25	\$ 167.28	
16	Volume Charge (\$/1,000 Gal.) *		\$ 16.46	\$ 17.61	\$ 18.98	\$ 20.45	\$ 22.04	\$ 23.75	
<u>Schools and Churches</u>									
17	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 2.75	\$ 2.96	\$ 3.19	\$ 3.44	\$ 3.70	\$ 3.98	
18	Service Charge (\$/Mo.)	1	\$ 2.75	\$ 4.14	\$ 4.46	\$ 4.81	\$ 5.18	\$ 5.59	
19	Service Charge (\$/Mo.)	1.5	\$ 2.75	\$ 5.32	\$ 5.73	\$ 6.17	\$ 6.65	\$ 7.17	
20	Service Charge (\$/Mo.)	2	\$ 2.75	\$ 8.57	\$ 9.24	\$ 9.95	\$ 10.73	\$ 11.56	
21	Service Charge (\$/Mo.)	3	\$ 2.75	\$ 32.51	\$ 35.03	\$ 37.74	\$ 40.67	\$ 43.82	
22	Service Charge (\$/Mo.)	4	\$ 2.75	\$ 41.37	\$ 44.57	\$ 48.03	\$ 51.75	\$ 55.76	
23	Service Charge (\$/Mo.)	6	\$ 2.75	\$ 62.06	\$ 66.86	\$ 72.05	\$ 77.63	\$ 83.64	
24	Volume Charge (\$/1,000 Gal.) *		\$ 8.23	\$ 8.81	\$ 9.49	\$ 10.22	\$ 11.02	\$ 11.87	

Notes:

* The 2025 Inside Village water rate was amended to \$11.29 per 1,000 gallons to reflect changes in the price of water supply from Chicago Heights in March 2025. This change also impacts the Outside Village and Schools and Churches 2025 rates.

Sprinkler rate is the same as Inside Village

Schools and churches discount is 25%

Outside Village rates are 1.5x Inside Village

Changes in rate structure can have different impacts on different users based on their meter size and monthly water usage. Table 3-3 shows the residential water customer bill impact on various usage amounts to demonstrate the impact of the proposed rates. These computations reflect 5/8" meters, the dominant meter size for residential connection. Most residential customers will experience an increase in 2026 ranging from 7.0 percent to 7.75 percent, which is a function of the structural change in fixed charges. For the average 4,000 gallon user, the increase will amount to \$3.36 in 2026. For years 2027 through 2030, increases will be a uniform 7.75%, reflecting the systemwide increase applied to both the fixed and volumetric user charges.

Table 3-3: Residential Water Bill Impact

Billable Flow Kgal/Mo	Percent of Bills in 2024	Existing 2025 Rates \$	Proposed					Change in \$					Change in %				
			2026	2027	2028	2029	2030	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
			Rates \$	Rates \$	Rates \$	Rates \$	Rates \$	Rates \$									
Residential																	
0	5.93%	\$ 3.66	\$ 3.94	\$ 4.25	\$ 4.58	\$ 4.93	\$ 5.31	\$ 0.28	\$ 0.31	\$ 0.33	\$ 0.35	\$ 0.38	7.7%	7.9%	7.8%	7.6%	7.7%
1	11.43%	\$ 14.63	\$ 15.68	\$ 16.90	\$ 18.21	\$ 19.62	\$ 21.14	\$ 1.05	\$ 1.22	\$ 1.31	\$ 1.41	\$ 1.52	7.2%	7.8%	7.8%	7.7%	7.7%
2	17.34%	\$ 25.60	\$ 27.42	\$ 29.55	\$ 31.84	\$ 34.31	\$ 36.97	\$ 1.82	\$ 2.13	\$ 2.29	\$ 2.47	\$ 2.66	7.1%	7.8%	7.7%	7.8%	7.8%
3	18.94%	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.47	\$ 49.00	\$ 52.80	\$ 2.59	\$ 3.04	\$ 3.27	\$ 3.53	\$ 3.80	7.1%	7.8%	7.7%	7.8%	7.8%
4	15.95%	\$ 47.54	\$ 50.90	\$ 54.85	\$ 59.10	\$ 63.69	\$ 68.63	\$ 3.36	\$ 3.95	\$ 4.25	\$ 4.59	\$ 4.94	7.1%	7.8%	7.7%	7.8%	7.8%
5	11.14%	\$ 58.51	\$ 62.64	\$ 67.50	\$ 72.73	\$ 78.38	\$ 84.46	\$ 4.13	\$ 4.86	\$ 5.23	\$ 5.65	\$ 6.08	7.1%	7.8%	7.7%	7.8%	7.8%
6	7.13%	\$ 69.48	\$ 74.38	\$ 80.15	\$ 86.36	\$ 93.07	\$ 100.29	\$ 4.90	\$ 5.77	\$ 6.21	\$ 6.71	\$ 7.22	7.1%	7.8%	7.7%	7.8%	7.8%
7	4.43%	\$ 80.45	\$ 86.12	\$ 92.80	\$ 99.99	\$ 107.76	\$ 116.12	\$ 5.67	\$ 6.68	\$ 7.19	\$ 7.77	\$ 8.36	7.0%	7.8%	7.7%	7.8%	7.8%
8	2.55%	\$ 91.42	\$ 97.86	\$ 105.45	\$ 113.62	\$ 122.45	\$ 131.95	\$ 6.44	\$ 7.59	\$ 8.17	\$ 8.83	\$ 9.50	7.0%	7.8%	7.7%	7.8%	7.8%
9	1.59%	\$ 102.39	\$ 109.60	\$ 118.10	\$ 127.25	\$ 137.14	\$ 147.78	\$ 7.21	\$ 8.50	\$ 9.15	\$ 9.89	\$ 10.64	7.0%	7.8%	7.7%	7.8%	7.8%
10	0.97%	\$ 113.36	\$ 121.34	\$ 130.75	\$ 140.88	\$ 151.83	\$ 163.61	\$ 7.98	\$ 9.41	\$ 10.13	\$ 10.95	\$ 11.78	7.0%	7.8%	7.7%	7.8%	7.8%
11	0.68%	\$ 124.33	\$ 133.08	\$ 143.40	\$ 154.51	\$ 166.52	\$ 179.44	\$ 8.75	\$ 10.32	\$ 11.11	\$ 12.01	\$ 12.92	7.0%	7.8%	7.7%	7.8%	7.8%
12	0.42%	\$ 135.30	\$ 144.82	\$ 156.05	\$ 168.14	\$ 181.21	\$ 195.27	\$ 9.52	\$ 11.23	\$ 12.09	\$ 13.07	\$ 14.06	7.0%	7.8%	7.7%	7.8%	7.8%
13	0.28%	\$ 146.27	\$ 156.56	\$ 168.70	\$ 181.77	\$ 195.90	\$ 211.10	\$ 10.29	\$ 12.14	\$ 13.07	\$ 14.13	\$ 15.20	7.0%	7.8%	7.7%	7.8%	7.8%
14	0.22%	\$ 157.24	\$ 168.30	\$ 181.35	\$ 195.40	\$ 210.59	\$ 226.93	\$ 11.06	\$ 13.05	\$ 14.05	\$ 15.19	\$ 16.34	7.0%	7.8%	7.7%	7.8%	7.8%
15	0.17%	\$ 168.21	\$ 180.04	\$ 194.00	\$ 209.03	\$ 225.28	\$ 242.76	\$ 11.83	\$ 13.96	\$ 15.03	\$ 16.25	\$ 17.48	7.0%	7.8%	7.7%	7.8%	7.8%
16	0.13%	\$ 179.18	\$ 191.78	\$ 206.65	\$ 222.66	\$ 239.97	\$ 258.59	\$ 12.60	\$ 14.87	\$ 16.01	\$ 17.31	\$ 18.62	7.0%	7.8%	7.7%	7.8%	7.8%
17	0.14%	\$ 190.15	\$ 203.52	\$ 219.30	\$ 236.29	\$ 254.66	\$ 274.42	\$ 13.37	\$ 15.78	\$ 16.99	\$ 18.37	\$ 19.76	7.0%	7.8%	7.7%	7.8%	7.8%
18	0.07%	\$ 201.12	\$ 215.26	\$ 231.95	\$ 249.92	\$ 269.35	\$ 290.25	\$ 14.14	\$ 16.69	\$ 17.97	\$ 19.43	\$ 20.90	7.0%	7.8%	7.7%	7.8%	7.8%
19	0.07%	\$ 212.09	\$ 227.00	\$ 244.60	\$ 263.55	\$ 284.04	\$ 306.08	\$ 14.91	\$ 17.60	\$ 18.95	\$ 20.49	\$ 22.04	7.0%	7.8%	7.7%	7.8%	7.8%
20	0.05%	\$ 223.06	\$ 238.74	\$ 257.25	\$ 277.18	\$ 298.73	\$ 321.91	\$ 15.68	\$ 18.51	\$ 19.93	\$ 21.55	\$ 23.18	7.0%	7.8%	7.7%	7.8%	7.8%

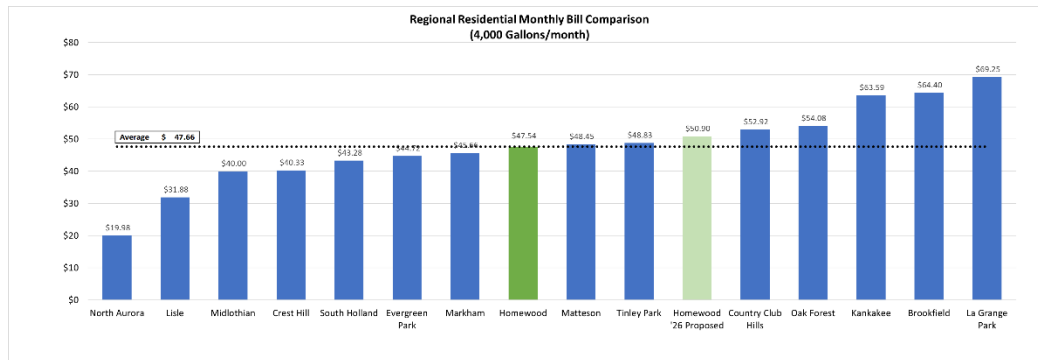
Table 3-4 shows the impact of proposed rates on other classes of users. Due to the wide variety of meter sizes and usage levels, Table 3-4 shows the common meter sizes for each class, and the average use of that meter size within the class. Note in 2026 the percentage increase in most bills is higher than the system average of 7.75 percent, which is a function of the change in the fixed fee. As was the case with residential bill impacts, bills shown for 2027 through 2030 increase at a uniform 7.75 percent, reflecting the systemwide increase applied to both the fixed and volumetric user charges.

Table 3-4: Non-Residential Water Bill Impact

Water Use Kgal/Mo	Meter Size inches	Existing	Proposed		Recommended			Change in \$					Change in %					
		2025	2026	2027	2028	2029	2030											
		Rates	Rates	Rates	Rates	Rates	Rates	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030	
		\$	\$	\$	\$	\$	\$											
Multi-Family																		
3	5/8" & 3/4"	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.47	\$ 49.00	\$ 52.80	\$ 2.59	\$ 3.04	\$ 3.27	\$ 3.53	\$ 3.80	7.1%	7.8%	7.7%	7.8%	7.8%	
12	1"	\$ 135.30	\$ 146.40	\$ 157.75	\$ 169.97	\$ 183.19	\$ 197.41	\$ 11.10	\$ 11.35	\$ 12.22	\$ 13.22	\$ 14.22	8.2%	7.8%	7.7%	7.8%	7.8%	
35	1.5"	\$ 387.61	\$ 417.99	\$ 450.39	\$ 485.28	\$ 523.02	\$ 563.61	\$ 30.38	\$ 32.40	\$ 34.89	\$ 37.74	\$ 40.59	7.8%	7.8%	7.7%	7.8%	7.8%	
40	2"	\$ 442.46	\$ 481.03	\$ 518.32	\$ 558.47	\$ 601.90	\$ 648.61	\$ 38.57	\$ 37.29	\$ 40.15	\$ 43.43	\$ 46.71	8.7%	7.8%	7.7%	7.8%	7.8%	
325	3"	\$ 3,568.91	\$ 3,858.84	\$ 4,157.95	\$ 4,480.07	\$ 4,828.47	\$ 5,203.17	\$ 289.93	\$ 299.11	\$ 322.12	\$ 348.40	\$ 374.70	8.1%	7.8%	7.7%	7.8%	7.8%	
Commercial																		
3	5/8" & 3/4"	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.47	\$ 49.00	\$ 52.80	\$ 2.59	\$ 3.04	\$ 3.27	\$ 3.53	\$ 3.80	7.1%	7.8%	7.7%	7.8%	7.8%	
7	1"	\$ 80.45	\$ 87.70	\$ 94.50	\$ 101.82	\$ 109.74	\$ 118.26	\$ 7.25	\$ 6.80	\$ 7.32	\$ 7.92	\$ 8.52	9.0%	7.8%	7.7%	7.8%	7.8%	
17	1.5"	\$ 190.15	\$ 206.67	\$ 222.69	\$ 239.94	\$ 258.60	\$ 278.67	\$ 16.52	\$ 16.02	\$ 17.25	\$ 18.66	\$ 20.07	8.7%	7.8%	7.7%	7.8%	7.8%	
31	2"	\$ 343.73	\$ 375.37	\$ 404.47	\$ 435.80	\$ 469.69	\$ 506.14	\$ 31.64	\$ 29.10	\$ 31.33	\$ 33.89	\$ 36.45	9.2%	7.8%	7.7%	7.8%	7.8%	
160	3"	\$ 1,758.86	\$ 1,921.74	\$ 2,070.70	\$ 2,231.12	\$ 2,404.62	\$ 2,591.22	\$ 162.88	\$ 148.96	\$ 160.42	\$ 173.50	\$ 186.60	9.3%	7.8%	7.7%	7.8%	7.8%	
250	4"	\$ 2,746.16	\$ 2,990.16	\$ 3,221.93	\$ 3,471.54	\$ 3,741.50	\$ 4,031.85	\$ 244.00	\$ 231.77	\$ 249.61	\$ 269.96	\$ 290.35	8.9%	7.8%	7.7%	7.8%	7.8%	
Restaurant																		
9	5/8" & 3/4"	\$ 102.39	\$ 109.60	\$ 118.10	\$ 127.25	\$ 137.14	\$ 147.78	\$ 7.21	\$ 8.50	\$ 9.15	\$ 9.89	\$ 10.64	7.0%	7.8%	7.7%	7.8%	7.8%	
20	1"	\$ 223.06	\$ 240.32	\$ 258.95	\$ 279.01	\$ 300.71	\$ 324.05	\$ 17.26	\$ 18.63	\$ 20.06	\$ 21.70	\$ 23.34	7.7%	7.8%	7.7%	7.8%	7.8%	
50	1.5"	\$ 552.16	\$ 594.09	\$ 640.14	\$ 689.73	\$ 743.37	\$ 801.06	\$ 41.93	\$ 46.05	\$ 49.59	\$ 53.64	\$ 57.69	7.6%	7.8%	7.7%	7.8%	7.8%	
70	2"	\$ 771.56	\$ 833.23	\$ 897.82	\$ 967.37	\$ 1,042.60	\$ 1,123.51	\$ 61.67	\$ 64.59	\$ 69.55	\$ 75.23	\$ 80.91	8.0%	7.8%	7.7%	7.8%	7.8%	
Brewery																		
20	2"	\$ 223.06	\$ 246.23	\$ 265.32	\$ 285.87	\$ 308.10	\$ 332.01	\$ 23.17	\$ 19.09	\$ 20.55	\$ 22.23	\$ 23.91	10.4%	7.8%	7.7%	7.8%	7.8%	
Industrial																		
2	5/8" & 3/4"	\$ 25.60	\$ 27.42	\$ 29.55	\$ 31.84	\$ 34.31	\$ 36.97	\$ 1.82	\$ 2.13	\$ 2.29	\$ 2.47	\$ 2.66	7.1%	7.8%	7.7%	7.8%	7.8%	
3	1"	\$ 36.57	\$ 40.74	\$ 43.90	\$ 47.30	\$ 50.98	\$ 54.94	\$ 4.17	\$ 3.16	\$ 3.40	\$ 3.68	\$ 3.96	11.4%	7.8%	7.7%	7.8%	7.8%	
12	2"	\$ 135.30	\$ 152.31	\$ 164.12	\$ 176.83	\$ 190.58	\$ 205.37	\$ 17.01	\$ 11.81	\$ 12.71	\$ 13.75	\$ 14.79	12.6%	7.8%	7.7%	7.8%	7.8%	
80	3"	\$ 881.26	\$ 982.54	\$ 1,058.70	\$ 1,140.72	\$ 1,229.42	\$ 1,324.82	\$ 101.28	\$ 76.16	\$ 82.02	\$ 88.70	\$ 95.40	11.5%	7.8%	7.7%	7.8%	7.8%	

Figure 3-4 shows the residential regional bill comparison including the proposed Homewood 2026 water rates. Note that Homewood's average residential water bill slips to the right in the survey; however, other communities will in all likelihood be increasing rates over time. As noted earlier, nationwide annual household water costs have been increasing about 5 percent per year. If the survey average in Figure 3-4 increased 5 percent in 2026, it would increase to \$50.04/month, and with Homewood aligned reasonably well with the average.

Figure 3-4: Regional Residential Bill Comparison with Proposed Homewood 2026



4.0 Appendix - Alternate Rate Designs

4.1 Supplemental Rate Designs

Two additional rate designs were developed for FY 2028 through FY 2030 that increased fixed fees proportionately more, and volumetric fees less, to further improve fixed cost recovery. The overall systemwide revenue increase per year remains 7.75 percent. These supplemental rate designs are intended to demonstrate the impact of options to make further progress toward increased fixed cost recovery starting in 2028.

4.1.1 Option 1 Fixed Fee Increase of 15 Percent Starting in 2028

Option 1 increases fixed fees in 2028 through 2030 approximately 15 percent per year as shown in Table 4-1. At the end of 2030, the fixed revenue stream would represent approximately 8 percent of revenue, up from the 6.5 percent achieved with the 2026 rates proposed previously in Table 3-2.

Table 4-1: Option 1 Proposed Alternate Water Rates 2028-2030

Line No.	Description	Meter Size	Existing		Proposed				
			2025	2026	2027	2028	2029	2030	
1	Proposed Annual Water Rate Increases			7.75%	7.75%	7.75%	7.75%	7.75%	
<u>Inside Village Customers</u>									
2	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 3.66	\$ 3.94	\$ 4.25	\$ 4.89	\$ 5.62	\$ 6.46	
3	Service Charge (\$/Mo.)	1	\$ 3.66	\$ 5.52	\$ 5.95	\$ 6.85	\$ 7.87	\$ 9.05	
4	Service Charge (\$/Mo.)	1.5	\$ 3.66	\$ 7.09	\$ 7.64	\$ 8.80	\$ 10.11	\$ 11.62	
5	Service Charge (\$/Mo.)	2	\$ 3.66	\$ 11.43	\$ 12.32	\$ 14.19	\$ 16.30	\$ 18.74	
6	Service Charge (\$/Mo.)	3	\$ 3.66	\$ 43.34	\$ 46.70	\$ 53.79	\$ 61.82	\$ 71.06	
7	Service Charge (\$/Mo.)	4	\$ 3.66	\$ 55.16	\$ 59.43	\$ 68.46	\$ 78.68	\$ 90.44	
8	Service Charge (\$/Mo.)	6	\$ 3.66	\$ 82.74	\$ 89.15	\$ 102.69	\$ 118.02	\$ 135.66	
9	Volume Charge (\$/1,000 Gal.)		\$ 10.97	\$ 11.74	\$ 12.65	\$ 13.57	\$ 14.55	\$ 15.59	
<u>Outside Village Customers</u>									
10	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 5.49	\$ 5.91	\$ 6.38	\$ 7.34	\$ 8.43	\$ 9.69	
11	Service Charge (\$/Mo.)	1	\$ 5.49	\$ 8.28	\$ 8.93	\$ 10.28	\$ 11.81	\$ 13.58	
12	Service Charge (\$/Mo.)	1.5	\$ 5.49	\$ 10.64	\$ 11.46	\$ 13.20	\$ 15.17	\$ 17.43	
13	Service Charge (\$/Mo.)	2	\$ 5.49	\$ 17.15	\$ 18.48	\$ 21.29	\$ 24.45	\$ 28.11	
14	Service Charge (\$/Mo.)	3	\$ 5.49	\$ 65.01	\$ 70.05	\$ 80.69	\$ 92.73	\$ 106.59	
15	Service Charge (\$/Mo.)	4	\$ 5.49	\$ 82.74	\$ 89.15	\$ 102.69	\$ 118.02	\$ 135.66	
		6	\$ 5.49	\$ 124.11	\$ 133.73	\$ 154.04	\$ 177.03	\$ 203.49	
16	Volume Charge (\$/1,000 Gal.)		\$ 16.46	\$ 17.61	\$ 18.98	\$ 20.36	\$ 21.83	\$ 23.39	
<u>Schools and Churches</u>									
17	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 2.75	\$ 2.96	\$ 3.19	\$ 3.67	\$ 4.22	\$ 4.85	
18	Service Charge (\$/Mo.)	1	\$ 2.75	\$ 4.14	\$ 4.46	\$ 5.14	\$ 5.90	\$ 6.79	
19	Service Charge (\$/Mo.)	1.5	\$ 2.75	\$ 5.32	\$ 5.73	\$ 6.60	\$ 7.58	\$ 8.72	
20	Service Charge (\$/Mo.)	2	\$ 2.75	\$ 8.57	\$ 9.24	\$ 10.64	\$ 12.23	\$ 14.06	
21	Service Charge (\$/Mo.)	3	\$ 2.75	\$ 32.51	\$ 35.03	\$ 40.34	\$ 46.37	\$ 53.30	
22	Service Charge (\$/Mo.)	4	\$ 2.75	\$ 41.37	\$ 44.57	\$ 51.35	\$ 59.01	\$ 67.83	
23	Service Charge (\$/Mo.)	6	\$ 2.75	\$ 62.06	\$ 66.86	\$ 77.02	\$ 88.52	\$ 101.75	
24	Volume Charge (\$/1,000 Gal.)		\$ 8.23	\$ 8.81	\$ 9.49	\$ 10.18	\$ 10.91	\$ 11.69	

Notes:

Sprinker rate is the same as Inside Village

Schools and churches discount is 25%

Outside Village rates are 1.5x Inside Village

Table 4-2 demonstrates the impact to residential bills for Option 1. Compared to rates proposed in Table 3-2, the average residential bill using 4 kgal/month increases from \$68.63 in 2030 to \$68.82.

Table 4-3 shows the impact to non-residential bills for Option 1. For most of the user types shown, the impact to the water bill in 2030 compared to the rates proposed in Table 3-2 is relatively minor.

Table 4-2: Option 1 Residential Water Bill Impact

Water Use Kgal/Mo	Percent of Bills in 2024	Existing 2025 Rates \$	Proposed						Change in \$					Change in %				
			2026 Rates \$	2027 Rates \$	2028 Rates \$	2029 Rates \$	2030 Rates \$	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030	
Residential																		
0	5.93%	\$ 3.66	\$ 3.94	\$ 4.25	\$ 4.89	\$ 5.62	\$ 6.46	\$ 0.28	\$ 0.31	\$ 0.64	\$ 0.73	\$ 0.84	7.65%	7.87%	15.06%	14.93%	14.95%	
1	11.43%	\$ 14.63	\$ 15.68	\$ 16.90	\$ 18.46	\$ 20.17	\$ 22.05	\$ 1.05	\$ 1.22	\$ 1.56	\$ 1.71	\$ 1.88	7.18%	7.78%	9.23%	9.26%	9.32%	
2	17.34%	\$ 25.60	\$ 27.42	\$ 29.55	\$ 32.03	\$ 34.72	\$ 37.64	\$ 1.82	\$ 2.13	\$ 2.48	\$ 2.69	\$ 2.92	7.11%	7.77%	8.39%	8.40%	8.41%	
3	18.94%	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.60	\$ 49.27	\$ 53.23	\$ 2.59	\$ 3.04	\$ 3.40	\$ 3.67	\$ 3.96	7.08%	7.76%	8.06%	8.05%	8.04%	
4	15.95%	\$ 47.54	\$ 50.90	\$ 54.85	\$ 59.17	\$ 63.82	\$ 68.82	\$ 3.36	\$ 3.95	\$ 4.32	\$ 4.65	\$ 5.00	7.07%	7.76%	7.88%	7.86%	7.83%	
5	11.14%	\$ 58.51	\$ 62.64	\$ 67.50	\$ 72.74	\$ 78.37	\$ 84.41	\$ 4.13	\$ 4.86	\$ 5.24	\$ 5.63	\$ 6.04	7.06%	7.76%	7.76%	7.74%	7.71%	
6	7.13%	\$ 69.48	\$ 74.38	\$ 80.15	\$ 86.31	\$ 92.92	\$ 100.00	\$ 4.90	\$ 5.77	\$ 6.16	\$ 6.61	\$ 7.08	7.05%	7.76%	7.69%	7.66%	7.62%	
7	4.43%	\$ 80.45	\$ 86.12	\$ 92.80	\$ 99.88	\$ 107.47	\$ 115.59	\$ 5.67	\$ 6.68	\$ 7.08	\$ 7.59	\$ 8.12	7.05%	7.76%	7.63%	7.60%	7.56%	
8	2.55%	\$ 91.42	\$ 97.86	\$ 105.45	\$ 113.45	\$ 122.02	\$ 131.18	\$ 6.44	\$ 7.59	\$ 8.00	\$ 8.57	\$ 9.16	7.04%	7.76%	7.59%	7.55%	7.51%	
9	1.59%	\$ 102.39	\$ 109.60	\$ 118.10	\$ 127.02	\$ 136.57	\$ 146.77	\$ 7.21	\$ 8.50	\$ 8.92	\$ 9.55	\$ 10.20	7.04%	7.76%	7.55%	7.52%	7.47%	
10	0.97%	\$ 113.36	\$ 121.34	\$ 130.75	\$ 140.59	\$ 151.12	\$ 162.36	\$ 7.98	\$ 9.41	\$ 9.84	\$ 10.53	\$ 11.24	7.04%	7.76%	7.53%	7.49%	7.44%	
11	0.68%	\$ 124.33	\$ 133.08	\$ 143.40	\$ 154.16	\$ 165.67	\$ 177.95	\$ 8.75	\$ 10.32	\$ 10.76	\$ 11.51	\$ 12.28	7.04%	7.75%	7.50%	7.47%	7.41%	
12	0.42%	\$ 135.30	\$ 144.82	\$ 156.05	\$ 167.73	\$ 180.22	\$ 193.54	\$ 9.52	\$ 11.23	\$ 11.68	\$ 12.49	\$ 13.32	7.04%	7.75%	7.48%	7.45%	7.39%	
13	0.28%	\$ 146.27	\$ 156.56	\$ 168.70	\$ 181.30	\$ 194.77	\$ 209.13	\$ 10.29	\$ 12.14	\$ 12.60	\$ 13.47	\$ 14.36	7.03%	7.75%	7.47%	7.43%	7.37%	
14	0.22%	\$ 157.24	\$ 168.30	\$ 181.35	\$ 194.87	\$ 209.32	\$ 224.72	\$ 11.06	\$ 13.05	\$ 13.52	\$ 14.45	\$ 15.40	7.03%	7.75%	7.46%	7.42%	7.36%	
15	0.17%	\$ 168.21	\$ 180.04	\$ 194.00	\$ 208.44	\$ 223.87	\$ 240.31	\$ 11.83	\$ 13.96	\$ 14.44	\$ 15.43	\$ 16.44	7.03%	7.75%	7.44%	7.40%	7.34%	
16	0.13%	\$ 179.18	\$ 191.78	\$ 206.65	\$ 222.01	\$ 238.42	\$ 255.90	\$ 12.60	\$ 14.87	\$ 15.36	\$ 16.41	\$ 17.48	7.03%	7.75%	7.43%	7.39%	7.33%	
17	0.14%	\$ 190.15	\$ 203.52	\$ 219.30	\$ 235.58	\$ 252.97	\$ 271.49	\$ 13.37	\$ 15.78	\$ 16.28	\$ 17.39	\$ 18.52	7.03%	7.75%	7.42%	7.38%	7.32%	
18	0.07%	\$ 201.12	\$ 215.26	\$ 231.95	\$ 249.15	\$ 267.52	\$ 287.08	\$ 14.14	\$ 16.69	\$ 17.20	\$ 18.37	\$ 19.56	7.03%	7.75%	7.42%	7.37%	7.31%	
19	0.07%	\$ 212.09	\$ 227.00	\$ 244.60	\$ 262.72	\$ 282.07	\$ 302.67	\$ 14.91	\$ 17.60	\$ 18.12	\$ 19.35	\$ 20.60	7.03%	7.75%	7.41%	7.37%	7.30%	
20	0.05%	\$ 223.06	\$ 238.74	\$ 257.25	\$ 276.29	\$ 296.62	\$ 318.26	\$ 15.68	\$ 18.51	\$ 19.04	\$ 20.33	\$ 21.64	7.03%	7.75%	7.40%	7.36%	7.30%	

Table 4-3: Option 1 Non-Residential Water Bill Impact

Water Use Kgal/Mo	Meter Size inches	Existing	Proposed	Recommended				Change in \$					Change in %				
		2025 Rates \$	2026 Rates \$	2027 Rates \$	2028 Rates \$	2029 Rates \$	2030 Rates \$	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
Multi-Family																	
3	5/8" & 3/4"	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.60	\$ 49.27	\$ 53.23	\$ 2.59	\$ 3.04	\$ 3.40	\$ 3.67	\$ 3.96	7.08%	7.76%	8.06%	8.05%	8.04%
12	1"	\$ 135.30	\$ 146.40	\$ 157.75	\$ 169.69	\$ 182.47	\$ 196.13	\$ 11.10	\$ 11.35	\$ 11.94	\$ 12.78	\$ 13.66	8.20%	7.75%	7.57%	7.53%	7.49%
35	1.5"	\$ 387.61	\$ 417.99	\$ 450.39	\$ 483.75	\$ 519.36	\$ 557.27	\$ 30.38	\$ 32.40	\$ 33.36	\$ 35.61	\$ 37.91	7.84%	7.75%	7.41%	7.36%	7.30%
40	2"	\$ 442.46	\$ 481.03	\$ 518.32	\$ 556.99	\$ 598.30	\$ 642.34	\$ 38.57	\$ 37.29	\$ 38.67	\$ 41.31	\$ 44.04	8.72%	7.75%	7.46%	7.42%	7.36%
325	3"	\$ 3,568.91	\$ 3,858.84	\$ 4,157.95	\$ 4,464.04	\$ 4,790.57	\$ 5,137.81	\$ 289.93	\$ 299.11	\$ 306.09	\$ 326.53	\$ 347.24	8.12%	7.75%	7.36%	7.31%	7.25%
Commercial																	
3	5/8" & 3/4"	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.60	\$ 49.27	\$ 53.23	\$ 2.59	\$ 3.04	\$ 3.40	\$ 3.67	\$ 3.96	7.08%	7.76%	8.06%	8.05%	8.04%
7	1"	\$ 80.45	\$ 87.70	\$ 94.50	\$ 101.84	\$ 109.72	\$ 118.18	\$ 7.25	\$ 6.80	\$ 7.34	\$ 7.88	\$ 8.46	9.01%	7.75%	7.77%	7.74%	7.71%
17	1.5"	\$ 190.15	\$ 206.67	\$ 222.69	\$ 239.49	\$ 257.46	\$ 276.65	\$ 16.52	\$ 16.02	\$ 16.80	\$ 17.97	\$ 19.19	8.69%	7.75%	7.54%	7.50%	7.45%
31	2"	\$ 343.73	\$ 375.37	\$ 404.47	\$ 434.86	\$ 467.35	\$ 502.03	\$ 31.64	\$ 29.10	\$ 30.39	\$ 32.49	\$ 34.68	9.20%	7.75%	7.51%	7.47%	7.42%
160	3"	\$ 1,758.86	\$ 1,921.74	\$ 2,070.70	\$ 2,224.99	\$ 2,389.82	\$ 2,565.46	\$ 162.88	\$ 148.96	\$ 154.29	\$ 164.83	\$ 175.64	9.26%	7.75%	7.45%	7.41%	7.35%
250	4"	\$ 2,746.16	\$ 2,990.16	\$ 3,221.93	\$ 3,460.96	\$ 3,716.18	\$ 3,987.94	\$ 244.00	\$ 231.77	\$ 239.03	\$ 255.22	\$ 271.76	8.89%	7.75%	7.42%	7.37%	7.31%
Restaurant																	
9	5/8" & 3/4"	\$ 102.39	\$ 109.60	\$ 118.10	\$ 127.02	\$ 136.57	\$ 146.77	\$ 7.21	\$ 8.50	\$ 8.92	\$ 9.55	\$ 10.20	7.04%	7.76%	7.55%	7.52%	7.47%
20	1"	\$ 223.06	\$ 240.32	\$ 258.95	\$ 278.25	\$ 298.87	\$ 320.85	\$ 17.26	\$ 18.63	\$ 19.30	\$ 20.62	\$ 21.98	7.74%	7.75%	7.45%	7.41%	7.35%
50	1.5"	\$ 552.16	\$ 594.09	\$ 640.14	\$ 687.30	\$ 737.61	\$ 791.12	\$ 41.93	\$ 46.05	\$ 47.16	\$ 50.31	\$ 53.51	7.59%	7.75%	7.37%	7.32%	7.25%
70	2"	\$ 771.56	\$ 833.23	\$ 897.82	\$ 964.09	\$ 1,034.80	\$ 1,110.04	\$ 61.67	\$ 64.59	\$ 66.27	\$ 70.71	\$ 75.24	7.99%	7.75%	7.38%	7.33%	7.27%
Brewery																	
20	2"	\$ 223.06	\$ 246.23	\$ 265.32	\$ 285.59	\$ 307.30	\$ 330.54	\$ 23.17	\$ 19.09	\$ 20.27	\$ 21.71	\$ 23.24	10.39%	7.75%	7.64%	7.60%	7.56%
Industrial																	
2	5/8" & 3/4"	\$ 25.60	\$ 27.42	\$ 29.55	\$ 32.03	\$ 34.72	\$ 37.64	\$ 1.82	\$ 2.13	\$ 2.48	\$ 2.69	\$ 2.92	7.11%	7.77%	8.39%	8.40%	8.41%
3	1"	\$ 36.57	\$ 40.74	\$ 43.90	\$ 47.56	\$ 51.52	\$ 55.82	\$ 4.17	\$ 3.16	\$ 3.66	\$ 3.96	\$ 4.30	11.40%	7.76%	8.34%	8.33%	8.35%
12	2"	\$ 135.30	\$ 152.31	\$ 164.12	\$ 177.03	\$ 190.90	\$ 205.82	\$ 17.01	\$ 11.81	\$ 12.91	\$ 13.87	\$ 14.92	12.57%	7.75%	7.87%	7.83%	7.82%
80	3"	\$ 881.26	\$ 982.54	\$ 1,058.70	\$ 1,139.39	\$ 1,225.82	\$ 1,318.26	\$ 101.28	\$ 76.16	\$ 80.69	\$ 86.43	\$ 92.44	11.49%	7.75%	7.62%	7.59%	7.54%

4.1.2 Option 2 Fixed Fee Increase of 20 Percent Starting in 2028

Option 2 increases fixed fees in 2028 through 2030 approximately 20 percent per year as shown in Table 4-4. At the end of 2030, the fixed revenue stream would represent approximately 9 percent of revenue, up from the 6.5 percent achieved with the 2026 rates proposed in Table 3-2.

Table 4-4: Option 2 Proposed Alternate Water Rates 2028-2030

Line No.	Description	Meter Size	Existing 2025	2026	2027	Proposed 2028	2029	2030
1	Proposed Annual Water Rate Increases			7.75%	7.75%	7.75%	7.75%	7.75%
<u>Inside Village Customers</u>								
2	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 3.66	\$ 3.94	\$ 4.25	\$ 5.10	\$ 6.12	\$ 7.34
3	Service Charge (\$/Mo.)	1	\$ 3.66	\$ 5.52	\$ 5.95	\$ 7.15	\$ 8.57	\$ 10.28
4	Service Charge (\$/Mo.)	1.5	\$ 3.66	\$ 7.09	\$ 7.64	\$ 9.18	\$ 11.01	\$ 13.21
5	Service Charge (\$/Mo.)	2	\$ 3.66	\$ 11.43	\$ 12.32	\$ 14.80	\$ 17.75	\$ 21.29
6	Service Charge (\$/Mo.)	3	\$ 3.66	\$ 43.34	\$ 46.70	\$ 56.10	\$ 67.32	\$ 80.74
7	Service Charge (\$/Mo.)	4	\$ 3.66	\$ 55.16	\$ 59.43	\$ 71.40	\$ 85.68	\$ 102.76
8	Service Charge (\$/Mo.)	6	\$ 3.66	\$ 82.74	\$ 89.15	\$ 107.10	\$ 128.52	\$ 154.14
9	Volume Charge (\$/1,000 Gal.)		\$ 10.97	\$ 11.74	\$ 12.65	\$ 13.53	\$ 14.44	\$ 15.41
<u>Outside Village Customers</u>								
10	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 5.49	\$ 5.91	\$ 6.38	\$ 7.65	\$ 9.18	\$ 11.01
11	Service Charge (\$/Mo.)	1	\$ 5.49	\$ 8.28	\$ 8.93	\$ 10.73	\$ 12.86	\$ 15.42
12	Service Charge (\$/Mo.)	1.5	\$ 5.49	\$ 10.64	\$ 11.46	\$ 13.77	\$ 16.52	\$ 19.82
13	Service Charge (\$/Mo.)	2	\$ 5.49	\$ 17.15	\$ 18.48	\$ 22.20	\$ 26.63	\$ 31.94
14	Service Charge (\$/Mo.)	3	\$ 5.49	\$ 65.01	\$ 70.05	\$ 84.15	\$ 100.98	\$ 121.11
15	Service Charge (\$/Mo.)	4	\$ 5.49	\$ 82.74	\$ 89.15	\$ 107.10	\$ 128.52	\$ 154.14
		6	\$ 5.49	\$ 124.11	\$ 133.73	\$ 160.65	\$ 192.78	\$ 231.21
16	Volume Charge (\$/1,000 Gal.)		\$ 16.46	\$ 17.61	\$ 18.98	\$ 20.30	\$ 21.66	\$ 23.12
<u>Schools and Churches</u>								
17	Service Charge (\$/Mo.)	5/8 & 3/4	\$ 2.75	\$ 2.96	\$ 3.19	\$ 3.83	\$ 4.59	\$ 5.51
18	Service Charge (\$/Mo.)	1	\$ 2.75	\$ 4.14	\$ 4.46	\$ 5.36	\$ 6.43	\$ 7.71
19	Service Charge (\$/Mo.)	1.5	\$ 2.75	\$ 5.32	\$ 5.73	\$ 6.89	\$ 8.26	\$ 9.91
20	Service Charge (\$/Mo.)	2	\$ 2.75	\$ 8.57	\$ 9.24	\$ 11.10	\$ 13.31	\$ 15.97
21	Service Charge (\$/Mo.)	3	\$ 2.75	\$ 32.51	\$ 35.03	\$ 42.08	\$ 50.49	\$ 60.56
22	Service Charge (\$/Mo.)	4	\$ 2.75	\$ 41.37	\$ 44.57	\$ 53.55	\$ 64.26	\$ 77.07
23	Service Charge (\$/Mo.)	6	\$ 2.75	\$ 62.06	\$ 66.86	\$ 80.33	\$ 96.39	\$ 115.61
24	Volume Charge (\$/1,000 Gal.)		\$ 8.23	\$ 8.81	\$ 9.49	\$ 10.15	\$ 10.83	\$ 11.56
Notes:								
Sprinker rate is the same as Inside Village								
Schools and churches discount is 25%								
Outside Village rates are 1.5x Inside Village								

Table 4-5 demonstrates the impact to residential bills for Option 1. Compared to rates proposed in Table 3-2, the average residential bill using 4 kgal/month increases from \$68.63 in 2030 to \$68.98.

Table 4-6 shows the impact to non-residential bills for Option 1. For most of the user types shown, the impact to the water bill in 2030 compared to the rates proposed in Table 3-2 is relatively minor.

Table 4-5: Option 2 Residential Water Bill Impact

Water Use Kgal/Mo	Percent of Bills in 2024	Existing 2025 Rates \$	Proposed						Change in \$					Change in %				
			2026 Rates \$	2027 Rates \$	2028 Rates \$	2029 Rates \$	2030 Rates \$	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030	
Residential																		
0	5.93%	\$ 3.66	\$ 3.94	\$ 4.25	\$ 5.10	\$ 6.12	\$ 7.34	\$ 0.28	\$ 0.31	\$ 0.85	\$ 1.02	\$ 1.22	7.65%	7.87%	20.00%	20.00%	19.93%	
1	11.43%	\$ 14.63	\$ 15.68	\$ 16.90	\$ 18.63	\$ 20.56	\$ 22.75	\$ 1.05	\$ 1.22	\$ 1.73	\$ 1.93	\$ 2.19	7.18%	7.78%	10.24%	10.36%	10.65%	
2	17.34%	\$ 25.60	\$ 27.42	\$ 29.55	\$ 32.16	\$ 35.00	\$ 38.16	\$ 1.82	\$ 2.13	\$ 2.61	\$ 2.84	\$ 3.16	7.11%	7.77%	8.83%	8.83%	9.03%	
3	18.94%	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.69	\$ 49.44	\$ 53.57	\$ 2.59	\$ 3.04	\$ 3.49	\$ 3.75	\$ 4.13	7.08%	7.76%	8.27%	8.21%	8.35%	
4	15.95%	\$ 47.54	\$ 50.90	\$ 54.85	\$ 59.22	\$ 63.88	\$ 68.98	\$ 3.36	\$ 3.95	\$ 4.37	\$ 4.66	\$ 5.10	7.07%	7.76%	7.97%	7.87%	7.98%	
5	11.14%	\$ 58.51	\$ 62.64	\$ 67.50	\$ 72.75	\$ 78.32	\$ 84.39	\$ 4.13	\$ 4.86	\$ 5.25	\$ 5.57	\$ 6.07	7.06%	7.76%	7.78%	7.66%	7.75%	
6	7.13%	\$ 69.48	\$ 74.38	\$ 80.15	\$ 86.28	\$ 92.76	\$ 99.80	\$ 4.90	\$ 5.77	\$ 6.13	\$ 6.48	\$ 7.04	7.05%	7.76%	7.65%	7.51%	7.59%	
7	4.43%	\$ 80.45	\$ 86.12	\$ 92.80	\$ 99.81	\$ 107.20	\$ 115.21	\$ 5.67	\$ 6.68	\$ 7.01	\$ 7.39	\$ 8.01	7.05%	7.76%	7.55%	7.40%	7.47%	
8	2.55%	\$ 91.42	\$ 97.86	\$ 105.45	\$ 113.34	\$ 121.64	\$ 130.62	\$ 6.44	\$ 7.59	\$ 7.89	\$ 8.30	\$ 8.98	7.04%	7.76%	7.48%	7.32%	7.38%	
9	1.59%	\$ 102.39	\$ 109.60	\$ 118.10	\$ 126.87	\$ 136.08	\$ 146.03	\$ 7.21	\$ 8.50	\$ 8.77	\$ 9.21	\$ 9.95	7.04%	7.76%	7.43%	7.26%	7.31%	
10	0.97%	\$ 113.36	\$ 121.34	\$ 130.75	\$ 140.40	\$ 150.52	\$ 161.44	\$ 7.98	\$ 9.41	\$ 9.65	\$ 10.12	\$ 10.92	7.04%	7.76%	7.38%	7.21%	7.25%	
11	0.68%	\$ 124.33	\$ 133.08	\$ 143.40	\$ 153.93	\$ 164.96	\$ 176.85	\$ 8.75	\$ 10.32	\$ 10.53	\$ 11.03	\$ 11.89	7.04%	7.75%	7.34%	7.17%	7.21%	
12	0.42%	\$ 135.30	\$ 144.82	\$ 156.05	\$ 167.46	\$ 179.40	\$ 192.26	\$ 9.52	\$ 11.23	\$ 11.41	\$ 11.94	\$ 12.86	7.04%	7.75%	7.31%	7.13%	7.17%	
13	0.28%	\$ 146.27	\$ 156.56	\$ 168.70	\$ 180.99	\$ 193.84	\$ 207.67	\$ 10.29	\$ 12.14	\$ 12.29	\$ 12.85	\$ 13.83	7.03%	7.75%	7.29%	7.10%	7.13%	
14	0.22%	\$ 157.24	\$ 168.30	\$ 181.35	\$ 194.52	\$ 208.28	\$ 223.08	\$ 11.06	\$ 13.05	\$ 13.17	\$ 13.76	\$ 14.80	7.03%	7.75%	7.26%	7.07%	7.11%	
15	0.17%	\$ 168.21	\$ 180.04	\$ 194.00	\$ 208.05	\$ 222.72	\$ 238.49	\$ 11.83	\$ 13.96	\$ 14.05	\$ 14.67	\$ 15.77	7.03%	7.75%	7.24%	7.05%	7.08%	
16	0.13%	\$ 179.18	\$ 191.78	\$ 206.65	\$ 221.58	\$ 237.16	\$ 253.90	\$ 12.60	\$ 14.87	\$ 14.93	\$ 15.58	\$ 16.74	7.03%	7.75%	7.22%	7.03%	7.06%	
17	0.14%	\$ 190.15	\$ 203.52	\$ 219.30	\$ 235.11	\$ 251.60	\$ 269.31	\$ 13.37	\$ 15.78	\$ 15.81	\$ 16.49	\$ 17.71	7.03%	7.75%	7.21%	7.01%	7.04%	
18	0.07%	\$ 201.12	\$ 215.26	\$ 231.95	\$ 248.64	\$ 266.04	\$ 284.72	\$ 14.14	\$ 16.69	\$ 16.69	\$ 17.40	\$ 18.68	7.03%	7.75%	7.20%	7.00%	7.02%	
19	0.07%	\$ 212.09	\$ 227.00	\$ 244.60	\$ 262.17	\$ 280.48	\$ 300.13	\$ 14.91	\$ 17.60	\$ 17.57	\$ 18.31	\$ 19.65	7.03%	7.75%	7.18%	6.98%	7.01%	
20	0.05%	\$ 223.06	\$ 238.74	\$ 257.25	\$ 275.70	\$ 294.92	\$ 315.54	\$ 15.68	\$ 18.51	\$ 18.45	\$ 19.22	\$ 20.62	7.03%	7.75%	7.17%	6.97%	6.99%	

Table 4-6: Option 2 Non-Residential Water Bill Impact

Water Use Kgal/Mo	Meter Size Inches	Existing	Proposed	Recommended					Change in \$					Change in %				
		2025	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030	
		Rates \$	Rates \$	Rates \$	Rates \$	Rates \$	Rates \$											
Multi-Family																		
3	5/8" & 3/4"	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.69	\$ 49.44	\$ 53.57	\$ 2.59	\$ 3.04	\$ 3.49	\$ 3.75	\$ 4.13	7.08%	7.76%	8.27%	8.21%	8.35%	
12	1"	\$ 135.30	\$ 146.40	\$ 157.75	\$ 169.51	\$ 181.85	\$ 195.20	\$ 11.10	\$ 11.35	\$ 11.76	\$ 12.34	\$ 13.35	8.20%	7.75%	7.45%	7.28%	7.34%	
35	1.5"	\$ 387.61	\$ 417.99	\$ 450.39	\$ 482.73	\$ 516.41	\$ 552.56	\$ 30.38	\$ 32.40	\$ 32.34	\$ 33.68	\$ 36.15	7.84%	7.75%	7.18%	6.98%	7.00%	
40	2"	\$ 442.46	\$ 481.03	\$ 518.32	\$ 556.00	\$ 595.35	\$ 637.69	\$ 38.57	\$ 37.29	\$ 37.68	\$ 39.35	\$ 42.34	8.72%	7.75%	7.27%	7.08%	7.11%	
325	3"	\$ 3,568.91	\$ 3,858.84	\$ 4,157.95	\$ 4,453.35	\$ 4,760.32	\$ 5,088.99	\$ 289.93	\$ 299.11	\$ 295.40	\$ 306.97	\$ 328.67	8.12%	7.75%	7.10%	6.89%	6.90%	
Commercial																		
3	5/8" & 3/4"	\$ 36.57	\$ 39.16	\$ 42.20	\$ 45.69	\$ 49.44	\$ 53.57	\$ 2.59	\$ 3.04	\$ 3.49	\$ 3.75	\$ 4.13	7.08%	7.76%	8.27%	8.21%	8.35%	
7	1"	\$ 80.45	\$ 87.70	\$ 94.50	\$ 101.86	\$ 109.65	\$ 118.15	\$ 7.25	\$ 6.80	\$ 7.36	\$ 7.79	\$ 8.50	9.01%	7.75%	7.79%	7.65%	7.75%	
17	1.5"	\$ 190.15	\$ 206.67	\$ 222.69	\$ 239.19	\$ 256.49	\$ 275.18	\$ 16.52	\$ 16.02	\$ 16.50	\$ 17.30	\$ 18.69	8.69%	7.75%	7.41%	7.23%	7.29%	
31	2"	\$ 343.73	\$ 375.37	\$ 404.47	\$ 434.23	\$ 465.39	\$ 499.00	\$ 31.64	\$ 29.10	\$ 29.76	\$ 31.16	\$ 33.61	9.20%	7.75%	7.36%	7.18%	7.22%	
160	3"	\$ 1,758.86	\$ 1,921.74	\$ 2,070.70	\$ 2,220.90	\$ 2,377.72	\$ 2,546.34	\$ 162.88	\$ 148.96	\$ 150.20	\$ 156.82	\$ 168.62	9.26%	7.75%	7.25%	7.06%	7.09%	
250	4"	\$ 2,746.16	\$ 2,990.16	\$ 3,221.93	\$ 3,453.90	\$ 3,695.68	\$ 3,955.26	\$ 244.00	\$ 231.77	\$ 231.97	\$ 241.78	\$ 259.58	8.89%	7.75%	7.20%	7.00%	7.02%	
Restaurant																		
9	5/8" & 3/4"	\$ 102.39	\$ 109.60	\$ 118.10	\$ 126.87	\$ 136.08	\$ 146.03	\$ 7.21	\$ 8.50	\$ 8.77	\$ 9.21	\$ 9.95	7.04%	7.76%	7.43%	7.26%	7.31%	
20	1"	\$ 223.06	\$ 240.32	\$ 258.95	\$ 277.75	\$ 297.37	\$ 318.48	\$ 17.26	\$ 18.63	\$ 18.80	\$ 19.62	\$ 21.11	7.74%	7.75%	7.26%	7.06%	7.10%	
50	1.5"	\$ 552.16	\$ 594.09	\$ 640.14	\$ 685.68	\$ 733.01	\$ 783.71	\$ 41.93	\$ 46.05	\$ 45.54	\$ 47.33	\$ 50.70	7.59%	7.75%	7.11%	6.90%	6.92%	
70	2"	\$ 771.56	\$ 833.23	\$ 897.82	\$ 961.90	\$ 1,028.55	\$ 1,099.99	\$ 61.67	\$ 64.59	\$ 64.08	\$ 66.65	\$ 71.44	7.99%	7.75%	7.14%	6.93%	6.95%	
Brewery																		
20	2"	\$ 223.06	\$ 246.23	\$ 265.32	\$ 285.40	\$ 306.55	\$ 329.49	\$ 23.17	\$ 19.09	\$ 20.08	\$ 21.15	\$ 22.94	10.39%	7.75%	7.57%	7.41%	7.48%	
Industrial																		
2	5/8" & 3/4"	\$ 25.60	\$ 27.42	\$ 29.55	\$ 32.16	\$ 35.00	\$ 38.16	\$ 1.82	\$ 2.13	\$ 2.61	\$ 2.84	\$ 3.16	7.11%	7.77%	8.83%	8.83%	9.03%	
3	1"	\$ 36.57	\$ 40.74	\$ 43.90	\$ 47.74	\$ 51.89	\$ 56.51	\$ 4.17	\$ 3.16	\$ 3.84	\$ 4.15	\$ 4.62	11.40%	7.76%	8.75%	8.69%	8.90%	
12	2"	\$ 135.30	\$ 152.31	\$ 164.12	\$ 177.16	\$ 191.03	\$ 206.21	\$ 17.01	\$ 11.81	\$ 13.04	\$ 13.87	\$ 15.18	12.57%	7.75%	7.95%	7.83%	7.95%	
80	3"	\$ 881.26	\$ 982.54	\$ 1,058.70	\$ 1,138.50	\$ 1,222.52	\$ 1,313.54	\$ 101.28	\$ 76.16	\$ 79.80	\$ 84.02	\$ 91.02	11.49%	7.75%	7.54%	7.38%	7.45%	



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