

# PROJECT REPORT

FOR

ROCHELLE MUNICIPAL UTILITIES,  
CITY OF ROCHELLE  
OGLE COUNTY, ILLINOIS  
WATER DIVISION

Water Rate Report  
May 2022



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## **PURPOSE**

The purpose of this Water Rate Report is to provide Rochelle Municipal Utilities (RMU) Water Division with the following analysis:

1. Evaluate the current expenses and revenues.
2. Develop future budgets based on the Water Division needs.

The water rate modifications evaluated and recommended in this report will provide the Water Division the necessary revenue to be self-sufficient and not be subsidized by any utility division within RMU.

## **WATER DIVISION RATE SCHEDULE**

The Water Division rate schedule consists of the following components:

1. Fixed Charge: Includes all contractual service administrative expenses. These services include Network Administration, Financial Administrative Services, Insurance, Customer Accounting and Collection, Administrative Expenses, Laboratory Services and GIS.
2. Basic User Rate: Includes all the operation and maintenance expenses of the system such as personnel salaries and benefits, purchase power, chemicals, materials and supplies, and the general fund transfer.
3. Equipment Replacement: Includes the replacement costs for the well pumps, pump VFDs, SCADA RTUs, chemical feed equipment, standby generators and the water treatment plant equipment and media. This fund sets the money aside to draw on when the equipment or media has to be upgraded and/or replaced.
4. Non-Debt Funded Projects: The Non-Debt Funded Projects are the less expensive capital improvements that do not require bonding or loans to complete. They include the elevated water storage tank painting, water distribution main replacement, water transmission main improvements, meter, hydrant and valve replacements, and vehicle and smaller equipment replacement.
5. Capital Recovery Rate: Includes the payment of bonds and/or loans to finance large water system improvement projects.

### CURRENT EXPENDITURES AND REVENUES

The Water Division had a net loss of \$342,012 in CY 2019, a net loss of \$300,204 in CY 2020, and a net loss of \$321,404 in CY 2021. The contractual services (Fixed Charge) expenses dropped slightly in CY 2020 and CY 2021 because the WRD Office/Lab Retail expense was eliminated. The Basic User Charge expenses have stayed steady over the last three (3) calendar years. The Non-Debt Funded Projects (Capital Outlay) expenses have been high over the last three (3) calendar years as the Water Department has made major investments in the Well #10 well building, the Well #12 radium treatment plant, and the Well #4 well building.

The Water Division water sales revenues increased in CY 2020 when the water rate was last increased. The major non-water sale revenue sources include the fire protection fee for customers who have a private fire protection connection to the water system and the water tower lease for allowing antennas to be placed on the towers for wireless providers. The non-water sale revenue was higher in CY 2019 and CY 2020 due to the IEPA grant and loan reimbursements for the Well #12 radium treatment plant project.

A detailed analysis of the Water Division expenditures and revenues is included in Exhibit A. A summary of the expenditures and revenues is detailed in the Table 1 below.

**TABLE 1**  
Water Division Expenditures and Revenues

	Calendar Year (CY)		
	CY 2019	CY 2020	CY 2021
Expenditures			
Fixed Charge Expenses	\$ 448,295	\$ 396,390	\$ 426,163
Basic User Expenses	\$1,765,959	\$1,891,330	\$1,841,868
Equipment Replacement Expenses	Included in Non-Debt Funded Projects		
Non-Debt Funded Projects Expenses	\$1,939,134	\$2,380,105	\$1,149,786
Capital Recovery Expenses – Debt Service	\$ 343,290	\$ 379,321	\$ 431,816
Total Expenditures	\$4,496,678	\$5,047,146	\$3,849,633
Revenues			
Water Sales	\$2,535,411	\$3,029,906	\$3,116,197
Other Revenue	\$1,742,032	\$1,717,036	\$ 412,032
Total Revenue	\$4,277,443	\$4,746,942	\$3,528,229
<b>Net Income/(Loss)</b>	<b>(\$ 219,235)</b>	<b>(\$ 300,204)</b>	<b>(\$ 321,404)</b>

## WATER DIVISION BUDGET

### A. FIXED CHARGE

The Fixed Charge includes the contractual services provided to the Water Division by City Administrative Services and RMU Customer Service. The services provided include meter reading and billing, scheduling appointments, answering and dispatching service calls, human resources, purchase order processing and payments, and invoicing customers for services. Also included is support for the network and computer software and hardware used to monitor the wells and distribution system.

If the WRD Office/Lab Rental expense is excluded, the Fixed Charge expenses have increased by 3.0% annually from CY 2019 to CY 2021. The WRD Office/Lab Rental expense was eliminated in CY 2020 and has been eliminated from our projected budgets.

**TABLE 2**  
Fixed Charge - Contractual Services Expenses

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Network Administration	\$ 27,000	\$ 27,810	\$ 28,644	\$ 29,504	\$ 30,389	\$ 31,300
Administrative Services	\$ 65,000	\$ 66,950	\$ 68,959	\$ 71,027	\$ 73,158	\$ 75,353
Telephone	\$ 5,500	\$ 5,665	\$ 5,835	\$ 6,010	\$ 6,190	\$ 6,376
Property and Liability Insurance	\$ 26,000	\$ 26,780	\$ 27,583	\$ 28,411	\$ 29,263	\$ 30,141
Engineering	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319
Customer Accounting and Collection	\$105,000	\$108,150	\$111,395	\$114,736	\$118,178	\$121,724
Legal	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319
Contractual Services - Laboratory	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371
WRD Office/Lab Rental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contractual Services - Other	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418	\$ 90,041	\$ 92,742
GIS	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911
Transportation	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964
Uncollectible Accounts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous Expenses	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389
<b>Total Contractual Services</b>	<b>\$429,500</b>	<b>\$442,385</b>	<b>\$455,658</b>	<b>\$469,325</b>	<b>\$483,405</b>	<b>\$497,909</b>

## B. BASIC USER EXPENSES

The Basic User Expenses include all the operation and maintenance expenses of the system such as personnel expenses, purchase power, chemicals, materials and supplies, and the general fund transfer.

The Water Department staff includes the equivalent of 7.83 full-time personnel. The staff includes the following positions.

### Superintendent

This person is responsible for overseeing the operation of the entire Water Division. This same person is also responsible for overseeing the operation of the Water Reclamation Division. The prorated salary of the superintendent is 50% water and 50% water reclamation (Personnel Equivalent: 0.5).

### Assistant Superintendent

This person is responsible for assisting the superintendent in overseeing the operation of the entire Water Division. This same person is also responsible for overseeing the operation of the Water Reclamation Division and assisting the Electrical Division. The prorated salary of the superintendent is 33.3% water, 33.3% water reclamation, and 33.3% electrical. (Personnel Equivalent: 0.33).

### Chief Operator

Under the supervision of the Superintendent, the Lead Operator is responsible for directing the operations and maintenance of the water system. The Lead Operator oversees the field work in the distribution system and assigns and directs the work of the Water Division Operators (Personnel Equivalent: 1.0).

### Operations/Maintenance B, C and D

Under the supervision of the Lead Operator, four water operators operate the water wells, water treatment, water storage and distribution system and perform the maintenance required to keep the system operating efficiently (Personnel Equivalent: 4.0).

### Laboratory Manager

Under the supervision of the Superintendent, the Laboratory Manager oversees the Laboratory Technicians in analyzing the well and distribution samples and maintaining backflow prevention inspection records (Personnel Equivalent: 0.5).

### Laboratory Technician

One (1) full-time permanent lab technician analyzes well and distribution samples and assists in maintaining backflow records (Personnel Equivalent: 0.5).

### Meter Reader

This person is responsible for reading the water and electrical meters for billing purposes. The prorated salary of the Meter Reader is 50% water and 50% water reclamation (Personnel Equivalent: 0.5).

### Administrative Assistant (Full-Time)

This position is currently vacant and there are no immediate plans to fill this position.

Administrative Assistant (Part-Time)

This person is responsible for providing administrative duties for the Water Division. The prorated salary of the part-time Administrative Assistant is 50% water and 50% water reclamation (Personnel Equivalent: 0.5).

The recommended budgets over the next 5 calendar years include a 3.0% annual salary and benefits increase each year as summarized in Table 3 below.

**TABLE 3**  
Personnel Expenses

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Salaries	\$638,000	\$ 657,140	\$ 676,854	\$ 697,160	\$ 718,075	\$ 739,617
Salaries Part Time	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Salaries OT/Pager Pay	\$ 72,000	\$ 74,160	\$ 76,385	\$ 78,676	\$ 81,037	\$ 83,468
Social Security Taxes	\$ 55,500	\$ 57,165	\$ 58,880	\$ 60,646	\$ 62,466	\$ 64,340
Retirement	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703
Health Insurance	\$132,000	\$ 135,960	\$ 140,039	\$ 144,240	\$ 148,567	\$ 153,024
Other Employee Benefits	\$ 24,000	\$ 24,720	\$ 25,462	\$ 26,225	\$ 27,012	\$ 27,823
Workmen's Compensation	\$ 15,300	\$ 15,759	\$ 16,232	\$ 16,719	\$ 17,220	\$ 17,737
Total Personnel	\$988,300	\$1,017,949	\$1,048,488	\$1,079,941	\$1,112,341	\$1,145,712

The purchase power expense is a function of the volume of water pumped and electrical rates. RMU has a set electrical rate so the electrical expense is just a function of volume pumped. The "Jackpot" project will be completed in 2022 and the projected water usage increase will be 100,000 gallon per day. This will increase the electrical expenses by approximately 50,000 per year starting in CY 2023. The recommended Purchase Power budgets are summarized in Table 4 below.

**TABLE 4**  
Purchase Power Expenses

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Purchase Power	\$260,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000

The Water Department supplies include chemicals, materials and supplies for the operation of the water system. The Chemicals cost is for the chlorine, fluoride and phosphate chemicals, which are added to the raw water prior to distribution of the water to its customers. Also, hydrous manganese oxide (HMO) is added at the Well #11 and Well #12 water treatment plants for radium removal. RMU is planning to construction an iron removal water treatment plant for Well #8. Well #8 will require additional pre-filter chlorine to oxidize the iron in the raw water so it can be filter out. Lastly, RMU is constructing a new well building for Well #4. RMU is converting the existing gas chlorine system to a liquid chlorine which will increase the chemical expenses.



Material and Supplies are a variety of items that are required for the normal operation and maintenance of the system. The Material and Supplies has varied significantly over the last 3 years.

The recommended budgets are detailed in Table 5 below.

**TABLE 5**  
Supplies Expenses

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Chemicals	\$170,000	\$175,100	\$180,353	\$195,000	\$200,850	\$206,876
Material and Supplies	\$400,000	\$420,300	\$432,909	\$445,896	\$459,273	\$473,051
Total Supplies	\$570,000	\$595,400	\$613,262	\$640,896	\$660,123	\$679,927

The transfer expenditure to the General Fund is based on Water Division revenue. The transfer amount to the General Fund is equal to 4.5% of the prior year's audited revenue.

**TABLE 6**  
Transfer-General Fund Expenses

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
General Fund	\$150,847	\$150,477	\$162,458	\$169,910	\$177,275	\$184,880

The Basic User Rate expenses are summarized in the Table 7 below.

**TABLE 7**  
Basic User Rate Expenses

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Personnel	\$ 988,300	\$1,017,949	\$1,048,488	\$1,079,941	\$1,112,341	\$1,145,712
Purchase Power	\$ 260,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000
Supplies	\$ 570,000	\$ 595,400	\$ 613,262	\$ 640,896	\$ 660,123	\$ 679,927
Transfers - General Fund	\$ 150,847	\$ 150,477	\$ 162,458	\$ 169,910	\$ 177,275	\$ 184,880
Total Basic User Expenses	\$1,969,147	\$2,073,826	\$2,134,208	\$2,200,747	\$2,259,739	\$2,320,519

C. EQUIPMENT REPLACEMENT

The Equipment Replacement expenses will include replacement of the well pumps, pump VFD and sine wave filters, chemical feed equipment, the filter equipment and media, and standby generators. The Well #8 filter equipment and generator has been added to the Equipment Replacement Budget. The recommended annual budget for equipment replacement is summarized in Table 8 below and detailed on Exhibit B.

**TABLE 8**  
Equipment Replacement Expenses

Equipment Items	Annual Budget
Well Pumps	\$ 69,750
Chemical Feed Equipment	\$ 12,500
Well #8 Filter Equipment	\$ 13,200
Well #11 Filter Equipment	\$ 13,200
Well #12 Filter Equipment	\$ 13,200
Pump VFD/Sine Wave Filter	\$ 8,750
Standby Generators	\$ 27,500
Total Equipment Replacement	\$158,100

#### D. NON-DEBT FUNDED PROJECTS

The Non-Debt Funded Projects are capital improvements to the water system that do not require bonding or loans to fund. The Non-Debt Funded Projects budget has been developed for the next five (5) calendar years, and specific projects have been identified for the budget. The detailed Non-Debt Funded Projects budget is included as Exhibit C and is described and summarized below.

##### 1. Wells

The Well #4 pump is being rehabilitated as part of the new Well #4 well building project. Well #11 pump and Well #12 pump will not be schedule for maintenance until after the Well #8 water treatment plant is completed. Well #11 pump is tentatively scheduled for maintenance in CY 2028 and Well #12 is tentatively scheduled for maintenance in CY 2029. The well pump replacement/rehabilitation expenses are included in the Equipment Replacement budget and rate calculation.

##### 2. Well Buildings/Water Treatment

The new Well #4 well building is almost completed and RMU is using some cash reserves to fund the project. The Well #8 water treatment plant will be funded with a USEDA grant and an IEPA Public Water Supply Revolving Fund Loan and will not be included in the Non-Debt Funded Projects rate calculation.

##### 3. Elevated Water Storage Tanks

RMU owns and operates three (3) – 500,000 gallon elevated water storage tanks and one (1) 750,000 gallon elevated water storage tank. The three (3) – 500,000 gallon elevated water storage tanks are located next to Wells #4, #8 and #11. The Well #8 (Caron Road) tower was painted in 1999, the Well #4 (Second Avenue) tower was painted in 2000 and the Well #11 (Rochelle High School) tower was painted in 2005. The 750,000 gallon elevated water storage tank is located next to Well #12 on Hayes Road and was constructed and painted in 2017. AWWA recommends repainting tanks every 20 - 25 years.

The budget includes performing tank inspections in CY 2024. The Well #4 elevated water storage tank will be rehabilitated and painted in CY 2023. The City intends to use American Recovery and Reinvestment Act (ARRA) funds to pay for the Well #4 elevated water storage tank rehabilitation and painting.

##### 4. Water Distribution Improvements – Watermain Replacement

RMU continues to replace undersized 4" diameter watermain and aging watermain that have a history of breaks. When the watermain are replaced, new water service lines are installed from the main to the shut-off box at the property line. The budget includes performing water main replacement projects in CY 2023 through CY 2027.

5. Water Distribution Improvements – Transmission Mains

The water distribution transmission mains are the 12" and 16" watermains that loop the perimeter of the distribution system and connect the wells and elevated water storage tanks together. Several of the water transmission mains were constructed in conjunction with various developments and have been part of the development cost, and not a capital cost to the Water Division. However, there are several water transmission main improvement projects that should be completed that are within the existing water distribution system. No water transmission mains are being planned at this time.

6. Replacement Items

The Water Division replaces a certain number of fire hydrants, valves, service lines and customer water meters on an annual basis. The water meter replacement project will be completed in CY 2022. The recommended Replacement Item budget for CY 2022 is 400,000 and \$175,000 per year for CY 2023 – CY 2027.

7. Vehicles and Equipment

The Water Division uses the following vehicles and equipment to make daily inspections of the water system facilities and to make water system repairs when necessary. No vehicle or equipment replacement is being planned at this time.

Pickup Truck, 3/4 Ton – 5 Each (2003, 2004, 2009, 2011, 2016 models)  
Dump Truck – 1 Each (2006 model)  
Backhoe – 2 Each (1991 and 2006 models)  
Construction Truck – 1 Each (1988 model)  
Cargo Trailers – 2 Each (2009, 2010 models)

The recommended Non-Debt Funded Projects Budget is detailed in Exhibit C and is summarized in the Table 9 below.

**TABLE 9**  
Non-Debt Funded Projects Budget

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Wells	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Well Bldg/Water Treatment	\$ 900,000	\$3,450,000	\$3,450,000	\$ 0	\$ 0	\$ 0
Elevated Water Storage Tank	\$ 0	\$ 750,000	\$ 45,000	\$ 0	\$ 0	\$ 0
Water Main Replacement	\$ 0	\$ 310,000	\$ 360,000	\$300,000	\$410,000	\$500,000
Water Transmission Mains	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Replacement Items	\$ 400,000	\$ 175,000	\$ 175,000	\$175,000	\$175,000	\$175,000
Vehicles and Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Subtotal	\$1,300,000	\$4,685,000	\$4,030,000	\$475,000	\$585,000	\$675,000

Other Funding Sources <sup>(1)</sup>	\$ 300,000	\$4,200,000	\$3,450,000	\$ 0	\$ 0	\$ 0
Non-Debt Funded Projects Budget	\$1,000,000	\$ 485,000	\$ 580,000	\$475,000	\$585,000	\$675,000

- <sup>(1)</sup> Other funding sources include USEDAs grant, IEPA PWSRF loan funds, and American Recovery and Reinvestment Act funds.

#### E. CAPITAL RECOVERY – DEBT SERVICE

The Capital Recovery charge is for water system improvements that the City has determined are necessary and has made the decision to secure long term bonding or loan financing to complete the work. The existing Capital Recovery expense includes the IEPA PWSRF loan for the Well #12 and elevated water storage tank project completed 2017, the IEPA PWSRF loan for the Well #11 radium treatment plant completed in 2018, and the IEPA PWSRF loan for the Well #12 radium treatment plant complete in 2020.

Well #8 is used as an emergency well because of the high iron concentration in the raw water. The City is planning to construct a water treatment plant for Well #8 and will fund the project with a USEDA grant and an IEPA PWSRF loan.

The recommended Capital Recovery budget is detailed in Table 10 below.

**TABLE 10**  
Capital Recovery Budget

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
IEPA PWSRFL–Well #12/Water Tower	\$225,584	\$225,584	\$225,584	\$225,584	\$225,584	\$225,584
IEPA PWSRFL–Well #11 WTP	\$124,128	\$124,128	\$124,128	\$124,128	\$124,128	\$124,128
IEPA PWSRFL–Well #12 WTP	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420
IEPA PWSRFL–Well #8 WTP	\$ 0	\$ 0	\$ 0	\$178,000	\$178,000	\$178,000
Capital Recovery Budget	\$441,132	\$441,132	\$441,132	\$619,132	\$619,132	\$619,132

## WATER RATE MODIFICATIONS

### A. EXISTING USERS AND WATER USAGE

The Water Division revenues are based on the number of customers and the volume of water used, as measured through the meter. The current fixed rate charge structure is based on the same fixed charge for all customer classifications. Table 11 below details the number of users in each customer classification.

**TABLE 11**  
Water Division Customers

Classification	# of Customers
Residential	3,100
General Service	595
Industrial	2
Industrial (New)	1
Lawn Irrigation	224
Total	3,922

The usage charges are based on the billable volume of water in each category of user. The total billable volume for the CY 2021 was 123,211,925 cubic feet as detailed in Table 12 below. The two industrial customers use 66.0% of the total billable water volume.

**TABLE 12**  
Water Division - Billed Volume CY 2021

	Volume Billed (cf)	% of Total Volume Billed
Residential	17,607,388	14.3%
General Service	23,383,365	19.0%
Industrial	81,295,390	66.0%
Lawn Irrigation	925,782	0.7%
Total	123,211,925	100%
Industrial (New)	4,879,700	
Projected 2023 Volume	128,091,625	

**B. FIXED CHARGE**

The Fixed Charge component of the water rate schedule generates revenue to cover the expenditures that are not dependent upon the quantity of water a customer uses. The Fixed Charge will cover the cost for the contractual services that support the Water Division. The total Fixed Charge expenses are summarized in Table 13 below.

**TABLE 13**  
Fixed Charge Expenses

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Fixed Charge Budget	\$429,500	\$442,385	\$455,658	\$469,325	\$483,405	\$497,909

The Fixed Charge is calculated by taking the total annual Fixed Charge expenses and dividing it by the total customer bills per year to get a cost per user per month charge. The total number of customers' bills per year is 45,048 as calculated below.

Number of Customer Bills:  $(3,698 \text{ Customers} \times 12 \text{ Bills/Yr}) + (224 \text{ Lawn Irrigation Bills} \times 3 \text{ Bills/Yr})$   
= 45,048 Bills/Yr

**CY 2023**

Fixed Charge:  $\$442,385/\text{Yr} \div 45,048 \text{ Customer Bills/Yr} = \$9.82/\text{User/Month}$

**CY 2024**

Fixed Charge:  $\$455,653/\text{Yr} \div 45,048 \text{ Customer Bills/Yr} = \$10.12/\text{User/Month}$

**CY 2025**

Fixed Charge:  $\$469,325/\text{Yr} \div 45,048 \text{ Customer Bills/Yr} = \$10.42/\text{User/Month}$

**CY 2026**

Fixed Charge:  $\$483,405/\text{Yr} \div 45,048 \text{ Customer Bills/Yr} = \$10.74/\text{User/Month}$

**CY 2027**

Fixed Charge:  $\$497,909/\text{Yr} \div 45,048 \text{ Customer Bills/Yr} = \$11.06/\text{User/Month}$

**TABLE 14**  
Recommended Fixed Charge Schedule

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Fixed Charge (Per User/Month)	\$9.35	\$9.82	\$10.12	\$10.42	\$10.74	\$11.06



### C. BASIC USER RATE

The Basic User Rate component of the water rate schedule generates revenue to cover the expenditures that are dependent upon the volume of water a customer uses. The Basic User Rate will cover the cost of the Personnel, Purchase Power, Supplies, and Transfers to the General Fund.

**TABLE 15**  
Basic User Rate Expenses

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Personnel	\$ 988,300	\$1,017,949	\$1,048,488	\$1,079,941	\$1,112,341	\$1,145,712
Purchase Power	\$ 260,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000
Supplies	\$ 570,000	\$ 595,400	\$ 613,262	\$ 640,896	\$ 660,123	\$ 679,927
Transfers - General Fund	\$ 150,847	\$ 150,477	\$ 162,458	\$ 169,910	\$ 177,275	\$ 184,880
Total Basic User Expenses	\$1,969,147	\$2,073,826	\$2,134,208	\$2,200,747	\$2,259,739	\$2,320,519
Other Revenue	(\$ 147,500)	(\$ 197,260)	(\$ 201,690)	(\$ 206,298)	(\$ 211,090)	(\$ 216,074)
Personnel Expenses Included in Colilert Testing Fees	\$ 0	(\$ 6,882)	(\$ 7,088)	(\$ 7,301)	(\$ 7,520)	(\$ 7,746)
Colilert Testing Supplies Included in Colilert Testing Fees	\$ 0	(\$ 8,300)	(\$ 8,549)	(\$ 8,805)	(\$ 9,070)	(\$ 9,342)
Net Basic User Expenses	\$1,821,647	\$1,861,384	\$1,916,881	\$1,978,343	\$2,032,059	\$2,087,357

The current basic user rate schedule is a two tier rate system. The second tier rate reduces the rate charge per cubic foot of water used once a customer exceeds a defined threshold. The first tier rate is for all usage less than 100,000 c.f. per month, which is all of the Residential, General Service and Industrial customers. The second tier is for all usage over 100,000 c.f. per month and is used by the two Industrial customers and one new Industrial customer which will be connected to the water system at the end of 2022.

The Personnel and a portion of the supplies expenses will be recovered by the first tier rate for all usage less than 100,000 c.f. The Purchase Power, a portion of the Supplies, and the Transfer to the General Fund is a function of all water usage, so it will be recovered equally by the first and second tier rate customers. The first and second tier Basic User Rates for each Calendar Year are calculated below.

#### CY 2023

First Tier Rate: (Personnel + a portion of the Supplies) – Colilert Personnel and Material expenses

$$(\$1,882,394 - \$15,182) \div 455,165 \text{ HCF} = \$2.34/\text{HCF}$$

First and Second Tier Rate: (Purchase Power + a portion of the Supplies + Transfers to General Fund)  
- Other Revenue)

$$(\$991,4288 - \$197,260) \div 1,280,916 \text{ HCF} = \$0.62/\text{HCF}$$

CY 2024

First Tier Rate: (Personnel + a portion of the Supplies) – Colilert Personnel and Material expenses

$$(\$1,100,199 - \$15,637) \div 455,165 \text{ HCF} = \$2.38/\text{HCF}$$

First and Second Tier Rate: (Purchase Power + a portion of the Supplies + Transfers to General Fund)  
- Other Revenue)

$$(\$1,034,009 - \$201,690) \div 1,280,490 \text{ HCF} = \$0.65/\text{HCF}$$

CY 2025

First Tier Rate: (Personnel + a portion of the Supplies) – Colilert Personnel and Material expenses

$$(\$1,136,521 - \$16,106) \div 455,165 \text{ HCF} = \$2.46/\text{HCF}$$

First and Second Tier Rate: (Purchase Power + a portion of the Supplies + Transfers to General Fund)  
- Other Revenue)

$$(\$1,064,226 - \$206,298) \div 1,280,490 \text{ HCF} = \$0.67/\text{HCF}$$

CY 2026

First Tier Rate: (Personnel + a portion of the Supplies)

$$(\$1,165,111 - \$6,394) \div 455,165 \text{ HCF} = \$2.56/\text{HCF}$$

First and Second Tier Rate: (Purchase Power + a portion of the Supplies + Transfers to General Fund)  
- Other Revenue)

$$(\$1,094,628 - \$211,090) \div 1,280,490 \text{ HCF} = \$0.69/\text{HCF}$$

CY 2027

First Tier Rate: (Personnel + a portion of the Supplies)

$$\$1,182,492 \div 455,165 \text{ HCF} = \$2.60/\text{HCF}$$

First and Second Tier Rate: (Purchase Power + a portion of the Supplies + Transfers to General Fund)  
- Other Revenue)

$$(\$1,138,027 - \$216,074) \div 1,280,490 \text{ HCF} = \$0.72/\text{HCF}$$

The 1<sup>st</sup> tier rate has been adjusted slightly from our calculations above to smooth out the annual rate increase for customers.

**TABLE 16**  
Basic User Rate  
First and Second Tier Rates

	CY 2022		CY 2023	
	1 <sup>st</sup> Tier Rate	2 <sup>nd</sup> Tier Rate	1 <sup>st</sup> Tier Rate	2 <sup>nd</sup> Tier Rate
Personnel	\$1.63/HCF	\$0.00/HCF	\$2.07/HCF <sup>(1)</sup>	\$0.00/HCF
Purchase Power/Supplies/Transfers - GF	\$0.59/HCF	\$0.59/HCF	\$0.62/HCF	\$0.62/HCF
Totals	\$2.22/HCF	\$0.59HCF	\$2.69/HCF	\$0.62/HCF

<sup>(1)</sup> Rate has been adjusted from the calculation above.

**TABLE 17**  
Basic User Rate  
First and Second Tier Rates

	CY 2024		CY 2025	
	1 <sup>st</sup> Tier Rate	2 <sup>nd</sup> Tier Rate	1 <sup>st</sup> Tier Rate	2 <sup>nd</sup> Tier Rate
Personnel	\$2.31/HCF <sup>(1)</sup>	\$0.00/HCF	\$2.37/HCF <sup>(1)</sup>	\$0.00/HCF
Purchase Power/Supplies/Transfers - GF	\$0.65/HCF	\$0.65/HCF	\$0.67/HCF	\$0.67/HCF
Totals	\$2.96/HCF	\$0.65/HCF	\$3.04/HCF	\$0.67/HCF

<sup>(1)</sup> Rate has been adjusted from the calculation above.

**TABLE 18**  
Basic User Rate  
First and Second Tier Rates

	CY 2026		CY 2027	
	1 <sup>st</sup> Tier Rate	2 <sup>nd</sup> Tier Rate	1 <sup>st</sup> Tier Rate	2 <sup>nd</sup> Tier Rate
Personnel	\$2.56/HCF <sup>(1)</sup>	\$0.00/HCF	\$2.60/HCF	\$0.00/HCF
Purchase Power/Supplies/Transfers - GF	\$0.69/HCF	\$0.69/HCF	\$0.72/HCF	\$0.72/HCF
Totals	\$3.25/HCF	\$0.69/HCF	\$3.32/HCF	\$0.72/HCF

<sup>(1)</sup> Rate has been adjusted from the calculation above.

D. EQUIPMENT REPLACEMENT

The Equipment Replacement Expenses will include replacement of the well pumps, pump VFD and sine wave filters, chemical feed equipment, filter equipment and media, and standby generators. The water filter equipment and the standby generator replacement for Well #8 has been included in the Equipment Replacement budget. The recommended budget for equipment replacement is summarized in Table 19 below and detailed on Exhibit B.

**TABLE 19**  
Equipment Replacement Expenses

Equipment Items	Annual Budget
Well Pumps	\$ 69,750
Chemical Feed Equipment	\$ 12,500
Well #8 Filter Equipment	\$ 13,200
Well #11 Filter Equipment	\$ 13,200
Well #12 Filter Equipment	\$ 13,200
Pump VFD/Sine Wave Filter	\$ 8,750
Standby Generators	\$ 27,500
Total Equipment Replacement	\$158,100

The Equipment Replacement expense will be shared equally by the First and Second Tier Rate customers. The First and Second Tier Equipment Replacement Rate is calculated below.

$$\text{First and Second Tier Rate: } \$158,100 \div 1,280,916 \text{ HCF} = \$0.12/\text{HCF}$$

## E. NON-DEBT FUNDED PROJECTS

The Non-Debt Funded Projects will include well rehabilitation; elevated water storage tank inspection and painting; water distribution main replacement; and meter, hydrant and valve replacements. The Non-Debt Funded Projects are capital improvements that do not require bonding or loans to complete.

The Non-Debt Funded Projects Budget lists all the Capital projects to be funded each year and is detailed in Exhibit C and is summarized in the Table 20 below. Some of the Capital projects listed will be funded with other revenue sources such as a USEDA grant and IEPA PWSRF loans. The Non-Debt Funded Projects rate calculation will be based on the Non-Debt Funded Projects Budget minus the other funding sources amount.

**TABLE 20**  
Non-Debt Funded Projects Budget

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Wells	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Well Bldg/Water Treatment	\$ 900,000	\$3,450,000	\$3,450,000	\$ 0	\$ 0	\$ 0
Elevated Water Storage Tank	\$ 0	\$ 750,000	\$ 45,000	\$ 0	\$ 0	\$ 0
Water Main Replacement	\$ 0	\$ 310,000	\$ 360,000	\$300,000	\$410,000	\$500,000
Water Transmission Mains	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Replacement Items	\$ 400,000	\$ 175,000	\$ 175,000	\$175,000	\$175,000	\$175,000
Vehicles and Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Subtotal	\$1,300,000	\$4,685,000	\$4,030,000	\$475,000	\$585,000	\$675,000
Other Funding Sources <sup>(1)</sup>	\$ 300,000	\$4,200,000	\$3,450,000	\$ 0	\$ 0	\$ 0
Non-Debt Funded Projects Budget	\$1,000,000	\$ 485,000	\$ 580,000	\$475,000	\$585,000	\$675,000

The Non-Debt Funded Projects rates have been adjusted for CY 2023 – CY 2027 to meet to the total capital outlay expenses during this time period. The recommended Non-Debt Funded Projects rates for CY 2022 – CY 2027 and the projected annual revenue is detailed in the Table 21 below.

**TABLE 21**  
Non-Debt Funded Projects  
First and Second Tier Rate Schedule and Annual Revenue

Calendar Year	First Tier Rate	Second Tier Rate	Annual Revenue
CY 2022	\$1.35/HCF	\$0.07/HCF	\$656,200
CY 2023 – CY 2025	\$1.11/HCF	\$0.07/HCF	\$551,936
CY 2026	\$1.17/HCF	\$0.07/HCF	\$590,345
CY 2027	\$1.30/HCF	\$0.07/HCF	\$681,378

#### F. CAPITAL RECOVERY – DEBT SERVICE

The Water Division currently has two (2) IEPA PWSRF loans for the construction of Well #12, the well building, the elevated water storage tank and the connecting water transmission main and for the construction of the Well #11 water treatment plant, and for the construction of the Well #12 water treatment plant.

Well #8 is used as an emergency well because of the high iron concentration in the raw water. The long-range plan is to construct a water treatment plant for Well #8 but it is not included in the Capital Recovery budget at this time.

The debt service for the water system improvements over the next five (5) calendar year budgets is detailed in Table 22 below.

**TABLE 22**  
Capital Recovery Budget

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
IEPA PWSRFL–Well #12/Water Tower	\$225,584	\$225,584	\$225,584	\$225,584	\$225,584	\$225,584
IEPA PWSRFL–Well #11 WTP	\$124,128	\$124,128	\$124,128	\$124,128	\$124,128	\$124,128
IEPA PWSRFL–Well #12 WTP	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420
IEPA PWSRFL–Well #8 WTP	\$ 0	\$ 0	\$ 0	\$178,000	\$178,000	\$178,000
Capital Recovery Budget	\$441,132	\$441,132	\$441,132	\$619,132	\$619,132	\$619,132

The current capital recovery rate is adequate to meet the existing debt obligation of the Water Division. The capital recovery rate will need to be adjusted in CY 2025 when the repayment of the IEPA PWSRF loan for the Well #8 water treatment plant will begin.

The cost allocation for the water system improvements debt detailed above is based on the peak daily demand of the system for CY 2021. The capital recovery rate calculations for CY 2025 – CY 2027 are on the following page.

CY 2025 – CY 2027

**TABLE 23**  
CY 2025 and CY 2027  
Cost Allocation for Capital Recovery Based on Peak Demand

Usage	Average Daily Demand	Peak Demand Factor	Peak Demand	% of Peak Demand	Annual P&I Payment
Residential/General Service (0 - 100,000 cf/month)	114,840 cf/d	2.45	281,358 cf/d	52.0%	\$321,862
Industrial (Over 100,000 c.f/month)	236,096 cf/d	1.10	259,706 cf/d	48.0%	\$297,270
Total	350,936 cf/d		541,064 cf/d	100%	\$619,132

First Tier Rate (0 - 100,000 cf/Month)

$$\$321,862 \div 455,165 \text{ HCF} = \$0.71/\text{HCF}$$

Second Tier Rate (Over 100,000 cf/Month)

$$\$297,270 \div 825,751 \text{ HCF} = \$0.36/\text{HCF}$$

The recommended Capital Recovery Rates for each calendar year are summarized in the Table 24 below.

**TABLE 24**  
Capital Recovery Rate

Calendar Year	First Tier Rate	Second Tier Rate
CY 2022	\$0.52/HCF	\$0.34/HCF
CY 2023	\$0.52/HCF	\$0.34/HCF
CY 2024	\$0.52/HCF	\$0.35/HCF
CY 2025	\$0.71/HCF	\$0.36/HCF
CY 2026	\$0.71/HCF	\$0.37/HCF
CY 2027	\$0.71/HCF	\$0.37/HCF

## G. COST IMPACT FOR USERS

The current and recommended Water Division Fixed Charges are summarized in the Table 25 below.

**TABLE 25**  
Water Division - Fixed Charge

Customer Classification	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Residential	\$9.35	\$9.82	\$10.12	\$10.42	\$10.74	\$11.06
General Service	\$9.35	\$9.82	\$10.12	\$10.42	\$10.74	\$11.06
Industrial	\$9.35	\$9.82	\$10.12	\$10.42	\$10.74	\$11.06
Lawn Irrigation	\$9.35	\$9.82	\$10.12	\$10.42	\$10.74	\$11.06
General Service Bulk Purchase	*	*	*	*	*	*

\* See Water Division Rate Schedule

The current and recommended usage rates for the Water Division are summarized in Tables 26 – 28 below.

**TABLE 26**  
Water Division - Usage Rates

Charge	CY 2022		CY 2023	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$2.22/HCF	\$0.59/HCF	\$2.69/HCF	\$0.62/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.35/HCF	\$0.07/HCF	\$1.11/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.52/HCF	\$0.34/HCF	\$0.52/HCF	\$0.34/HCF
Total	\$4.21/HCF	\$1.12/HCF	\$4.44/HCF	\$1.15/HCF

**TABLE 27**  
Water Division - Usage Rates

Charge	CY 2024		CY 2025	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$2.96/HCF	\$0.65/HCF	\$3.04/HCF	\$0.67/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.11/HCF	\$0.07/HCF	\$1.11/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.52/HCF	\$0.34/HCF	\$0.71/HCF	\$0.35/HCF
Total	\$4.71/HCF	\$1.18/HCF	\$4.98/HCF	\$1.21/HCF



**TABLE 28**  
Water Division - Usage Rates

Charge	CY 2026		CY 2027	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$3.25/HCF	\$0.69/HCF	\$3.32/HCF	\$0.72/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.17/HCF	\$0.07/HCF	\$1.37/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.71/HCF	\$0.36/HCF	\$0.71/HCF	\$0.36/HCF
Total	\$5.25/HCF	\$1.24/HCF	\$5.52/HCF	\$1.27/HCF

The cost impact to the customers will vary based on their water usage. The tables below summarize the current water bill amount, the water bill amount for the recommended rate modifications and the dollar and percentage increase for a typical residential user, a small and large general service user and the two (2) industrial users.

1. Residential User (Based on Usage of 500 c.f./month)

	Fixed Charge	Usage Charges	Total	(\$ ) Change	(%) Change
2022	\$ 9.35	\$21.05	\$30.40		
2023	\$ 9.82	\$22.20	\$32.02	\$1.62	5.3%
2024	\$10.12	\$23.55	\$33.67	\$1.65	5.2%
2025	\$10.42	\$24.90	\$35.32	\$1.65	4.9%
2026	\$10.74	\$26.25	\$36.99	\$1.67	4.7%
2027	\$11.06	\$27.60	\$38.66	\$1.67	4.5%

2. General Service (Based on Usage of 3,300 c.f./month)

	Fixed Charge	Usage Charges	Total	(\$ ) Change	(%) Change
2022	\$ 9.35	\$138.93	\$148.28		
2023	\$ 9.82	\$146.52	\$156.34	\$8.06	5.4%
2024	\$10.12	\$155.43	\$165.55	\$9.21	5.9%
2025	\$10.42	\$164.34	\$174.76	\$9.21	5.6%
2026	\$10.74	\$173.25	\$183.99	\$9.23	5.3%
2027	\$11.06	\$182.16	\$193.22	\$9.23	5.0%

3. Industrial User (Based on Usage of 2,482,200 c.f./month)

	Fixed Charge	Usage Charges	Total	(\$) Change	(%) Change
2022	\$ 9.35	\$30,890.64	\$30,899.99		
2023	\$ 9.82	\$31,835.30	\$31,845.12	\$945.13	3.1%
2024	\$10.12	\$32,819.96	\$32,830.08	\$984.96	3.1%
2025	\$10.42	\$33,804.62	\$33,815.04	\$984.96	3.0%
2026	\$10.74	\$34,789.28	\$34,800.02	\$984.98	2.9%
2027	\$11.06	\$35,773.94	\$35,785.00	\$984.98	2.8%

4. Industrial User (Based on Usage of 4,292,000 c.f./month) and two (2) – 8" Private Fire Protection Connections)

	Fixed Charge	Usage Charges	Fire Protection	Total	(\$) Change	(%) Change
2022	\$ 9.35	\$51,160.40	\$181.86	\$51,351.61		
2023	\$ 9.82	\$52,648.00	\$181.86	\$52,839.68	\$1,488.07	2.9%
2024	\$10.12	\$54,175.60	\$181.86	\$54,367.58	\$1,527.90	2.9%
2025	\$10.42	\$55,703.20	\$181.86	\$55,895.48	\$1,527.90	2.8%
2026	\$10.74	\$57,230.80	\$181.86	\$57,423.40	\$1,527.92	2.7%
2027	\$11.06	\$58,758.40	\$181.86	\$58,951.32	\$1,527.92	2.7%

## CONCLUSIONS AND RECOMMENDATIONS

### 1. Water Division Expenditures and Revenues

The Water Division's expenditures and revenues are based on the recommended budget and rates for calendar years 2022 – 2027 and are summarized in the Table 29 below. The detailed budget expenditures and revenues are shown on Exhibit A. The Non-Debt Funded Projects (Capital Outlay) expense are higher in CY 2023 and CY 2024 for the construction of the Well #8 water treatment plant. The Well #8 water treatment plant project will be funded with a USEDA grant and IEPA PWSRF loan. The Capital Recovery expense increases in CY 2025 when the City starts repaying the IEPA loan for the Well #8 water treatment plant project.

**TABLE 29**  
Water Division Expenditures and Revenues

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
<b>Expenditures</b>						
Fixed Charge Expenses	\$ 429,500	\$ 442,385	\$ 455,657	\$ 469,326	\$ 483,406	\$ 497,908
Basic User Expenses	\$1,969,147	\$2,073,826	\$2,134,207	\$2,200,749	\$2,259,738	\$2,320,518
Equipment Replacement Expenses	\$ 0	\$ 158,100	\$ 158,100	\$ 158,100	\$ 158,100	\$ 158,100
Non-Debt Funded Projects Expenses	\$1,300,000	\$4,685,000	\$4,030,000	\$ 475,000	\$ 585,000	\$ 675,000
Capital Recovery Expenses – Debt Service	\$ 441,132	\$ 441,132	\$ 441,132	\$ 619,132	\$ 619,132	\$ 619,132
<b>Total Expenditures</b>	<b>\$4,139,779</b>	<b>\$7,800,443</b>	<b>\$7,219,096</b>	<b>\$3,922,307</b>	<b>\$4,105,376</b>	<b>\$4,270,658</b>
<b>Revenues</b>						
Water Sales	\$3,170,439	\$3,412,916	\$3,574,098	\$3,733,137	\$3,897,362	\$4,059,444
Other Revenue	\$ 173,500	\$ 197,260	\$ 201,690	\$ 206,298	\$ 211,090	\$ 216,074
IEPA Loan Reimbursements/Grants	\$ 300,000	\$4,200,000	\$3,450,000	\$ 0	\$ 0	\$ 0
<b>Total Revenue</b>	<b>\$3,643,939</b>	<b>\$7,810,176</b>	<b>\$7,225,788</b>	<b>\$3,939,435</b>	<b>\$4,108,452</b>	<b>\$4,275,518</b>
<b>Net Income/(Loss)</b>	<b>(\$ 495,841)</b>	<b>\$ 9,733</b>	<b>\$ 6,692</b>	<b>\$ 17,128</b>	<b>\$ 3,076</b>	<b>\$ 4,860</b>

2. The Water Reclamation Division Office/Lab rental expense of \$48,000 per year was eliminated in CY 2020. The remainder of the recommended budget for the Fixed Charge expenses shows a normal annual increase based on historical trends. The recommended Fixed Charge for CY 2022 – CY 2027 are summarized in Table 30 below.

**TABLE 30**  
Recommended Fixed Charge Rates

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Fixed Charge (Per User/Month)	\$9.35	\$9.82	\$10.12	\$10.42	\$10.74	\$11.06

3. The Basic User Charge expenses have been increasing at a steady rate due to the salaries and benefit increases and chemical cost increases. The recommended Basic User Charge budget includes annual increases for the personnel expenses and the chemical cost increase in CY 2025 is for the Well #8 pre-filter chemicals needed to oxidize the iron to so it can be removed in the filter. The recommended Basic User Rates for CY 2022 – CY 2027 are summarized in Table 31 below.

**TABLE 31**  
Recommended Basic User Rates

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
0-100,000 CF	\$2.22/HCF	\$2.69/HCF	\$2.96/HCF	\$3.04/HCF	\$3.25/HCF	\$3.32/HCF
Over 100,000 CF	\$0.59/HCF	\$0.62/HCF	\$0.65/HCF	\$0.67/HCF	\$0.69/HCF	\$0.72/HCF

4. The Equipment Replacement budget was increased to include the replacement of the filter media, valves, and blower equipment and the standby generator for the Well #8 water treatment plant project. The recommended Equipment Replacement Rate is \$0.12/HCF.
5. The recommended Non-Debt Funded Projects budget over the next five (5) years will fund the rehabilitation and painting of the Well #4 tower, water main replacements and replacement items such as water meters, valves and fire hydrants. The budget will vary from year to year but the recommended rates will generate enough revenue over the next five (5) year period to pay for all the planned capital outlay projects. The recommended Non-Debt Funded Project rates are summarized in Table 32 below.

**TABLE 32**  
Recommended Non-Debt Funded Project Rates

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
0-100,000 CF	\$1.35/HCF	\$1.11/HCF	\$1.11/HCF	\$1.11/HCF	\$1.17/HCF	\$1.37/HCF
Over 100,000 CF	\$0.07/HCF	\$0.07/HCF	\$0.07/HCF	\$0.07/HCF	\$0.07/HCF	\$0.07/HCF

6. The Water Division needs to make a major improvement to the water system, which will be funded with a USEDA grant and an IEPA Public Water Supply Revolving Fund Loan. The water system improvement project includes the construction of an iron removal treatment plant for Well #8 which will be completed in CY 2024. The capital recovery budget for CY 2022 – CY 2027 is summarized in Table 33 on the following page.

**TABLE 33**  
Capital Recovery Budget

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
IEPA PWSRFL–Well #12/Water Tower	\$225,584	\$225,584	\$225,584	\$225,584	\$225,584	\$225,584
IEPA PWSRFL–Well #11 WTP	\$124,128	\$124,128	\$124,128	\$124,128	\$124,128	\$124,128
IEPA PWSRFL–Well #12 WTP	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420
IEPA PWSRFL–Well #8 WTP	\$ 0	\$ 0	\$ 0	\$178,000	\$178,000	\$178,000
Capital Recovery Budget	\$441,132	\$441,132	\$441,132	\$619,132	\$619,132	\$619,132

The Capital Recovery Rates for each calendar year are summarized in the Table 34 below.

**TABLE 34**  
Capital Recovery Rate

Calendar Year	First Tier Rate	Second Tier Rate
CY 2022	\$0.52/HCF	\$0.34/HCF
CY 2023	\$0.52/HCF	\$0.34/HCF
CY 2024	\$0.52/HCF	\$0.34/HCF
CY 2025	\$0.71/HCF	\$0.35/HCF
CY 2026	\$0.71/HCF	\$0.36/HCF
CY 2027	\$0.71/HCF	\$0.36/HCF

7. The recommended usage rates for CY 2022 – CY 2027 is summarized in Table 35 below.

**TABLE 35**  
Recommended Usage Rates

	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
0-100,000 CF	\$4.21/HCF	\$4.44/HCF	\$4.71/HCF	\$4.98/HCF	\$5.25/HCF	\$5.52/HCF
Over 100,000 CF	\$1.12/HCF	\$1.15/HCF	\$1.18/HCF	\$1.21/HCF	\$1.24/HCF	\$1.27/HCF

8. No changes are being recommended to the fire protection rate. The fire protection rate will be charged to all customers that have a private connection that feeds a fire suppression system, and the charge will be based on the size of the fire protection main connection.
9. The bulk water rate from a fire hydrant will be increased based on the new usage rate. The recommended bulk water usage charge is \$0.015 per gallon.

10. The recommended rate increase will have the following cost impact on various types of users.

**TABLE 36**  
Cost Impact for Users

	Residential User <sup>(1)</sup>		General Service <sup>(2)</sup>	
	Monthly Bill	% Increase	Monthly Bill	% Increase
CY 2022	\$30.40		\$148.28	
CY 2023	\$32.02	5.3%	\$156.34	5.4%
CY 2024	\$33.67	5.2%	\$165.55	5.9%
CY 2025	\$35.32	4.9%	\$174.76	5.6%
CY 2026	\$36.99	4.7%	\$183.99	5.3%
CY 2027	\$38.66	4.5%	\$193.22	5.0%

<sup>(1)</sup> Based on Usage of 500 c.f./month

<sup>(2)</sup> Based on Usage of 3,300 c.f./month

**TABLE 37**  
Cost Impact for Users

	Industrial <sup>(1)</sup>		Industrial <sup>(2)</sup>	
	Monthly Bill	% Increase	Monthly Bill	% Increase
CY 2021	\$30,899.99		\$51,351.61	
CY 2022	\$31,845.12	3.1%	\$52,839.68	2.9%
CY 2023	\$32,830.08	3.1%	\$54,367.58	2.9%
CY 2024	\$33,815.04	3.0%	\$55,895.48	2.8%
CY 2025	\$34,800.02	2.9%	\$57,423.40	2.7%
CY 2026	\$35,785.00	2.8%	\$58,951.32	2.7%

<sup>(1)</sup> Based on Usage of 2,482,200 c.f./month

<sup>(2)</sup> Based on Usage of 4,292,000 c.f./month and (2) – 8" Fire Connections

## WATER DIVISION RATES SCHEDULE

There are five (5) water user categories for billing water. The water user categories are Residential, General Service, Industrial, Lawn Irrigation and General Service Bulk Purchase. The definition of each user category and the current and recommended rate structure are detailed below.

### A. RESIDENTIAL

#### 1. Definition

The Residential rate is available to customers residing in a metered one-family dwelling unit, usually physically separate. Customers outside the Rochelle City corporate boundaries will be charged two times the charges.

#### 2. Rate Schedule

The rate charge has a fixed charge and a variable usage charge component. The current fixed charge is the same charge regardless of customer classification or meter size and is a fixed dollar amount charge per month per user. The current and recommended fixed charges are detailed below.

#### Fixed Charge

CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
\$9.35/User/Mo.	\$9.82/User/Mo.	\$10.12/User/Mo.	\$10.42/User/Mo.	\$10.74/User/Mo.	\$11.06/User/Mo.

The variable charge is based on the metered volume used. The current and recommended basic user charges are summarized below.

#### Usage Charge Rates

Charge	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Basic User Rate	\$2.22/HCF	\$2.69/HCF	\$2.96/HCF	\$3.04/HCF	\$3.25/HCF	\$3.32/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.35/HCF	\$1.11/HCF	\$1.11/HCF	\$1.11/HCF	\$1.17/HCF	\$1.37/HCF
Capital Recovery Rate	\$0.52/HCF	\$0.52/HCF	\$0.52/HCF	\$0.71/HCF	\$0.71/HCF	\$0.71/HCF
Total	\$4.21/HCF	\$4.44/HCF	\$4.71/HCF	\$4.98/HCF	\$5.25/HCF	\$5.52/HCF

## B. GENERAL SERVICE

### 1. Definition

The General Service rate is available to customers not qualifying as Residential rate and having a monthly usage less than 500,000 cubic feet (3,740,000 gallons) during the current month or in any of the previous 11 billing months. Customers outside the Rochelle City corporate boundaries will be charged two times the charges.

### 2. Rate Schedule

The rate charge has a fixed charge and a variable usage charge component. The current fixed charge is the same charge regardless of customer classification or meter size and is a fixed dollar amount charge per month per user. The current and recommended fixed charges are detailed below and the following page.

#### Fixed Charge

CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
\$9.35/User/Mo.	\$9.82/User/Mo.	\$10.12/User/Mo.	\$10.42/User/Mo.	\$10.74/User/Mo.	\$11.06/User/Mo.

The variable charge is based on the metered volume used. The current and recommended basic user charge is summarized below.

#### Usage Charge Rates

Charge	CY 2022		CY 2023	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$2.22/HCF	\$0.59/HCF	\$2.69/HCF	\$0.62/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.35/HCF	\$0.07/HCF	\$1.11/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.52/HCF	\$0.34/HCF	\$0.52/HCF	\$0.34/HCF
Total	\$4.21/HCF	\$1.12/HCF	\$4.44/HCF	\$1.15/HCF



Usage Charge Rates

Charge	CY 2024		CY 2025	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$2.96/HCF	\$0.65/HCF	\$3.04/HCF	\$0.67/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.11/HCF	\$0.07/HCF	\$1.11/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.52/HCF	\$0.34/HCF	\$0.71/HCF	\$0.35/HCF
Total	\$4.71/HCF	\$1.18/HCF	\$4.98/HCF	\$1.21/HCF

Usage Charge Rates

Charge	CY 2026		CY 2027	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$3.25/HCF	\$0.69/HCF	\$3.32/HCF	\$0.72/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.17/HCF	\$0.07/HCF	\$1.37/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.71/HCF	\$0.36/HCF	\$0.71/HCF	\$0.36/HCF
Total	\$5.25/HCF	\$1.24/HCF	\$5.52/HCF	\$1.27/HCF

## C. INDUSTRIAL

### 1. Definition

The Industrial rate is available to Industrial water customers that have a monthly usage of 500,000 cubic feet (3,740,000 gallons) during the current billing month or in any of the previous 11 billing months. The variable charge is based on the higher of the current billing month's usage or 40% of the highest usage recorded in the previous 11 billing months. Customers outside the Rochelle City corporate boundaries will be charged two times the charges.

### 2. Rate Schedule

The rate charge has a fixed charge and a variable usage charge component. The current fixed charge is the same charge regardless of customer classification or meter size and is a fixed dollar amount charge per month per user. The current and recommended fixed charges are detailed below and the following page.

#### Fixed Charge

CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
\$9.35/User/Mo.	\$9.82/User/Mo.	\$10.12/User/Mo.	\$10.42/User/Mo.	\$10.74/User/Mo.	\$11.06/User/Mo.

The variable charge is based on the metered volume used. The current and recommended basic user charge is summarized below.

#### Usage Charge Rates

Charge	CY 2022		CY 2023	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$2.22/HCF	\$0.59/HCF	\$2.69/HCF	\$0.62/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.35/HCF	\$0.07/HCF	\$1.11/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.52/HCF	\$0.34/HCF	\$0.52/HCF	\$0.34/HCF
Total	\$4.21/HCF	\$1.12/HCF	\$4.44/HCF	\$1.15/HCF

Usage Charge Rates

Charge	CY 2024		CY 2025	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$2.96/HCF	\$0.65/HCF	\$3.04/HCF	\$0.67/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.11/HCF	\$0.07/HCF	\$1.11/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.52/HCF	\$0.34/HCF	\$0.71/HCF	\$0.35/HCF
Total	\$4.71/HCF	\$1.18/HCF	\$4.98/HCF	\$1.21/HCF

Usage Charge Rates

Charge	CY 2026		CY 2027	
	0-100,000 CF	Over 100,000 CF	0-100,000 CF	Over 100,000 CF
Basic User Rate	\$3.25/HCF	\$0.69/HCF	\$3.32/HCF	\$0.72/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.17/HCF	\$0.07/HCF	\$1.37/HCF	\$0.07/HCF
Capital Recovery Rate	\$0.71/HCF	\$0.36/HCF	\$0.71/HCF	\$0.36/HCF
Total	\$5.25/HCF	\$1.24/HCF	\$5.52/HCF	\$1.27/HCF

#### D. LAWN IRRIGATION

##### 1. Definition

The Lawn Irrigation rate is available to customers who install a separate meter with a shut-off valve and check valve for the inlet side, installed by a licensed plumber and approved by the Rochelle Water Division. This rate may be used only for non-sanitary sewer related uses, i.e. lawn irrigation. The usage registered on this meter will not be subject to sewer charges. Abuse may result in the termination of application of this rate to the customer.

The Rochelle Water Division reserves the right to periodically inspect plumbing whenever it deems it necessary and appropriate to do so.

The fixed charge is applicable only to bills for meter readings on or after June 30 until and including September 30 (usage during the months of June, July and August).

Customers outside the Rochelle City corporate boundaries will be charged two times the charges.

##### 2. Rate Schedule

The current fixed charge is based on the water meter size and is a fixed dollar amount charge per month per user. The current fixed charge is the same charge regardless of customer classification or meter size and is a fixed dollar amount charge per month per user. The current and recommended fixed charges are detailed below.

##### Fixed Charge

CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
\$9.35/User/Mo.	\$9.82/User/Mo.	\$10.12/User/Mo.	\$10.42/User/Mo.	\$10.74/User/Mo.	\$11.06/User/Mo.

The variable charge is based on the metered volume used. The current and recommended basic user charges are summarized below.

##### Usage Charge Rates

Charge	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Basic User Rate	\$2.22/HCF	\$2.69/HCF	\$2.96/HCF	\$3.04/HCF	\$3.25/HCF	\$3.32/HCF
Equipment Replacement Rate	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF	\$0.12/HCF
Non-Debt Funded Projects Rate	\$1.35/HCF	\$1.11/HCF	\$1.11/HCF	\$1.11/HCF	\$1.17/HCF	\$1.37/HCF
Capital Recovery Rate	\$0.52/HCF	\$0.52/HCF	\$0.52/HCF	\$0.71/HCF	\$0.71/HCF	\$0.71/HCF
Total	\$4.21/HCF	\$4.44/HCF	\$4.71/HCF	\$4.98/HCF	\$5.25/HCF	\$5.52/HCF

## E. GENERAL SERVICE BULK PURCHASE

### 1. Definition

The General Service Bulk Purchase rate is available to customers for temporary or short-term purchases from the WRP or a fire hydrant meter. The customer is required to obtain a temporary meter and backflow preventer from the Water Division.

The Rochelle Water Division reserves the right to periodically inspect attachments and proper meter readings. Water misuse or bypassing the meter may result in discontinuing water service to the customer or prosecution.

### 2. Rate Schedule

The rate charge has a fixed charge and a variable usage charge component. The fixed charge is for all or a portion of the month.

#### a. Bulk Water at WRP

##### Usage Charge Rates

	Rate
First 5,000 Gallons	\$0.030/Gallon
Over 5,000 Gallons	\$0.015/Gallon

If the customer wants to be billed, then there is a \$35.00 processing fee.

#### b. Bulk Water From Hydrant

##### Fixed Charges

	Rates
Meter Deposit	\$500.00
Meter and RPZ Deposit	\$1,000.00
Hydrant Meter Handling Fee	\$75.00
Hydrant Meter Rental Fee	\$35.00/Month
Hydrant Meter and RPZ Rental Fee	\$60.00/Month

Usage Charge Rate: \$0.015/Gallon

## F. FIRE PROTECTION

### 1. Definition

The private fire protection connection rate was established in June 2011 and was not changed in the current revisions. A private fire protection rate is charged to all users that have a private connection that feeds a fire protection system inside a building or a fire loop around a building. The charge will be based on the size of the fire protection main connection. The user will be charged for each private fire protection line connection to the system if there is more than one connection. There is no rate charge for the volume of water used during a fire event.

### 2. Rate Schedule

The Private Fire Protection charge is a fixed monthly charge for any user with a fire protection connection to the water system. The fixed monthly charge is based on the size of the fire protection line connection. A Private Fire Protection user must also pay the Public Fire Protection charge below.

#### Private Fire Protection Charge

Fire Protection Line Connection Size	Rate
2"	\$4.27/Connection/Month
3"	\$6.89/Connection/Month
4"	\$14.69/Connection/Month
6"	\$42.67/Connection/Month
8"	\$90.93/Connection/Month
10"	\$163.52/Connection/Month

RMU Water Division

Expenses and Revenue Summary and Recommended Budgets

	Past Expenses and Revenues			Projected Budgets					
	2019	2020	2021	2022	2023	2024	2025	2026	2027
FIXED CHARGE									
CONTRACTUAL SERVICES									
Network Administration	\$ 26,935	\$ 26,935	\$ 26,935	\$ 27,000	\$ 27,810	\$ 28,644	\$ 29,504	\$ 30,389	\$ 31,300
Administrative Services	\$ 54,215	\$ 55,450	\$ 65,701	\$ 65,000	\$ 66,950	\$ 68,959	\$ 71,027	\$ 73,158	\$ 75,353
Telephone	\$ 4,577	\$ 5,387	\$ 5,179	\$ 5,500	\$ 5,665	\$ 5,835	\$ 6,010	\$ 6,190	\$ 6,376
Property and Liability Insurance	\$ 16,627	\$ 18,124	\$ 25,343	\$ 26,000	\$ 26,780	\$ 27,583	\$ 28,411	\$ 29,263	\$ 30,141
Engineering	\$ 25,495	\$ -	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319
Customer Accounting and Collection	\$ 105,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 108,150	\$ 111,395	\$ 114,736	\$ 118,178	\$ 121,724
Legal	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319
Contractual Services - Laboratory	\$ 18,583	\$ 43,837	\$ 34,389	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371
WRD Office/Lab Rental	\$ 48,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services - Other	\$ 84,795	\$ 74,718	\$ 78,705	\$ 80,000	\$ 82,400	\$ 84,872	\$ 87,418	\$ 90,041	\$ 92,742
GIS	\$ 15,649	\$ 9,911	\$ 11,695	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911
Transporatation	\$ 40,753	\$ 42,989	\$ 59,465	\$ 50,000	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964
Uncollectable Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Expense	\$ 7,666	\$ 14,039	\$ 13,751	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391	\$ 16,883	\$ 17,389
Total	\$ 448,295	\$ 396,390	\$ 426,163	\$ 429,500	\$ 442,385	\$ 455,657	\$ 469,326	\$ 483,406	\$ 497,908
BASIC USER CHARGE									
PERSONNEL									
Salaries	\$ 484,886	\$ 477,107	\$ 585,461	\$ 638,000	\$ 657,140	\$ 676,854	\$ 697,160	\$ 718,075	\$ 739,617
Salaries Part Time	\$ 5,153	\$ 96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries OT/Pager Pay	\$ 49,616	\$ 64,568	\$ 68,985	\$ 72,000	\$ 74,160	\$ 76,385	\$ 78,676	\$ 81,037	\$ 83,468
Social Security Taxes	\$ 38,335	\$ 38,693	\$ 46,485	\$ 55,500	\$ 57,165	\$ 58,880	\$ 60,646	\$ 62,466	\$ 64,340
Retirement	\$ 57,877	\$ 64,466	\$ 91,538	\$ 51,500	\$ 53,045	\$ 54,636	\$ 56,275	\$ 57,964	\$ 59,703
Health Insurance	\$ 89,174	\$ 83,008	\$ 109,970	\$ 132,000	\$ 135,960	\$ 140,039	\$ 144,240	\$ 148,567	\$ 153,024
Other Employee Benefits	\$ 20,252	\$ 28,231	\$ 22,514	\$ 24,000	\$ 24,720	\$ 25,462	\$ 26,225	\$ 27,012	\$ 27,823
Workmen's Compensation	\$ 11,450	\$ 15,995	\$ 14,265	\$ 15,300	\$ 15,759	\$ 16,232	\$ 16,719	\$ 17,220	\$ 17,737
CONTRACTUAL SERVICES - Purchase Power	\$ 277,885	\$ 257,103	\$ 252,875	\$ 260,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000	\$ 310,000
SUPPLIES									
Chemicals	\$ 123,596	\$ 130,294	\$ 158,659	\$ 170,000	\$ 175,100	\$ 180,353	\$ 195,000	\$ 200,850	\$ 206,876
Materials & Supplies	\$ 476,859	\$ 583,982	\$ 342,299	\$ 400,000	\$ 420,300	\$ 432,909	\$ 445,896	\$ 459,273	\$ 473,051
TRANSFERS - GENERAL FUND	\$ 130,876	\$ 147,787	\$ 148,817	\$ 150,847	\$ 150,477	\$ 162,458	\$ 169,910	\$ 177,275	\$ 184,880
Total	\$ 1,765,959	\$ 1,891,330	\$ 1,841,868	\$ 1,969,147	\$ 2,073,826	\$ 2,134,207	\$ 2,200,749	\$ 2,259,738	\$ 2,320,518
EQUIPMENT REPLACEMENT	\$ -	\$ -	\$ -	\$ -	\$ 158,100	\$ 158,100	\$ 158,100	\$ 158,100	\$ 158,100
NON-DEBT FUNDED PROJECTS	\$ 1,939,134	\$ 2,380,105	\$ 1,149,786	\$ 1,300,000	\$ 4,685,000	\$ 4,030,000	\$ 475,000	\$ 585,000	\$ 675,000
CAPITAL RECOVERY EXPENSE									
IEPA Revolving Fund Loan (Well No. 12/Tower)	\$ 225,584	\$ 225,584	\$ 225,584	\$ 225,584	\$ 225,584	\$ 225,584	\$ 225,584	\$ 225,584	\$ 225,584
IEPA PWSRF Loan (Well No. 12 Radium Treatment)	\$ -	\$ 29,609	\$ 82,104	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420	\$ 91,420
IEPA PWSRF Loan (Well No. 11 Radium Treatment)	\$ 117,706	\$ 124,128	\$ 124,128	\$ 124,128	\$ 124,128	\$ 124,128	\$ 124,128	\$ 124,128	\$ 124,128
IEPA PWSRF Loan Loan (Well No. 8 Iron Treatment)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,000	\$ 178,000	\$ 178,000
Total	\$ 343,290	\$ 379,321	\$ 431,816	\$ 441,132	\$ 441,132	\$ 441,132	\$ 619,132	\$ 619,132	\$ 619,132
TOTAL EXPENDITURES	\$ 4,496,678	\$ 5,047,146	\$ 3,849,633	\$ 4,139,779	\$ 7,800,443	\$ 7,219,096	\$ 3,922,307	\$ 4,105,376	\$ 4,270,658
REVENUES									
WATER SALES									
Residential	\$ 961,306	\$ 1,178,181	\$ 1,147,903	\$ 1,134,351	\$ 1,194,777	\$ 1,256,178	\$ 1,317,580	\$ 1,379,738	\$ 1,441,897
Commercial	\$ 732,308	\$ 914,700	\$ 985,466	\$ 1,051,196	\$ 1,108,333	\$ 1,173,610	\$ 1,236,745	\$ 1,304,307	\$ 1,369,727
Industrial	\$ 841,797	\$ 937,025	\$ 982,828	\$ 984,892	\$ 1,109,806	\$ 1,144,309	\$ 1,178,813	\$ 1,213,317	\$ 1,247,821
Total	\$ 2,535,411	\$ 3,029,906	\$ 3,116,197	\$ 3,170,439	\$ 3,412,916	\$ 3,574,098	\$ 3,733,137	\$ 3,897,362	\$ 4,059,444
OTHER									
Water Tower Lease	\$ 94,820	\$ 98,487	\$ 102,391	\$ 106,500	\$ 110,760	\$ 115,190	\$ 119,798	\$ 124,590	\$ 129,574
Fire Protection Fee	\$ 41,412	\$ 41,167	\$ 40,784	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000	\$ 41,000
Laboratory Colilert Testing	\$ -	\$ -	\$ -	\$ -	\$ 19,500	\$ 19,500	\$ 19,500	\$ 19,500	\$ 19,500
Miscellaneous	\$ 17,254	\$ 4,466	\$ 77,233	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Penalties	\$ 18,011	\$ 6,079	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Interest Income	\$ 43,924	\$ 23,044	\$ 15,555	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Grants	\$ -	\$ -	\$ -	\$ 300,000	\$ 2,475,000	\$ 1,725,000	\$ -	\$ -	\$ -
IEPA Loan	\$ 1,526,611	\$ 1,543,793	\$ 176,069	\$ -	\$ 1,725,000	\$ 1,725,000	\$ -	\$ -	\$ -
Construction Contribution - Developers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,742,032	\$ 1,717,036	\$ 412,032	\$ 473,500	\$ 4,397,260	\$ 3,651,690	\$ 206,298	\$ 211,090	\$ 216,074
TOTAL REVENUES	\$ 4,277,443	\$ 4,746,942	\$ 3,528,229	\$ 3,643,939	\$ 7,810,176	\$ 7,225,788	\$ 3,939,435	\$ 4,108,452	\$ 4,275,518
NET INCOME/LOSS	\$ (219,235)	\$ (300,204)	\$ (321,404)	\$ (495,841)	\$ 9,733	\$ 6,692	\$ 17,128	\$ 3,076	\$ 4,860
CASH RESERVES AT END OF CALENDAR YEAR			\$ 2,927,040	\$ 2,431,199	\$ 2,440,933	\$ 2,447,625	\$ 2,464,753	\$ 2,467,829	\$ 2,472,689

RMU Water Division  
Equipment Replacement Budget

	Total Cost	Schedule	Cost Per Year
<b>WELL PUMPS</b>			
Well #4 (Serviced in 2015)	\$ 110,000	8 Yrs	\$ 13,750
Well #8 (Serviced in 2000)	\$ 110,000	10 Yrs	\$ 11,000
Well #10 (Serviced in 2006)	\$ 110,000	8 Yrs	\$ 13,750
Well #11 (Serviced in 2015)	\$ 140,000	8 Yrs	\$ 17,500
Well #12 (New In 2016)	\$ 110,000	8 Yrs	\$ 13,750
Total	\$ 580,000		\$ 69,750
<b>CHEMICAL FEED EQUIPMENT</b>			
Well #4	\$ 25,000	10 Yrs	\$ 2,500
Well #8	\$ 25,000	10 Yrs	\$ 2,500
Well #10	\$ 25,000	10 Yrs	\$ 2,500
Well #11	\$ 25,000	10 Yrs	\$ 2,500
Well #12	\$ 25,000	10 Yrs	\$ 2,500
Total			\$ 12,500
<b>Well #8 Filter Equipment</b>			
Media	\$ 30,000	15 Yrs	\$ 2,000
Valve and Actuators	\$ 84,000	20 Yrs	\$ 4,200
Blower	\$ 20,000	20 Yrs	\$ 1,000
HMO Equipment	\$ 30,000	5 Yrs	\$ 6,000
Total			\$ 13,200
<b>Well #11 Filter Equipment</b>			
Media	\$ 30,000	15 Yrs	\$ 2,000
Valve and Actuators	\$ 84,000	20 Yrs	\$ 4,200
Blower	\$ 20,000	20 Yrs	\$ 1,000
HMO Equipment	\$ 30,000	5 Yrs	\$ 6,000
Total			\$ 13,200
<b>Well #12 Filter Equipment</b>			
Media	\$ 30,000	15 Yrs	\$ 2,000
Valve and Actuators	\$ 84,000	20 Yrs	\$ 4,200
Blower	\$ 20,000	20 Yrs	\$ 1,000
HMO Equipment	\$ 30,000	5 Yrs	\$ 6,000
Total			\$ 13,200
<b>VFD/Sine Wave Filter</b>			
Well #4	\$ 35,000	20 Yrs	\$ 1,750
Well #8	\$ 35,000	20 Yrs	\$ 1,750
Well #10	\$ 35,000	20 Yrs	\$ 1,750
Well #11	\$ 35,000	20 Yrs	\$ 1,750
Well #12	\$ 35,000	20 Yrs	\$ 1,750
Total			\$ 8,750
<b>WELL STANDBY POWER</b>			
Portable Generator (Wells #8 and #10) (Purchased in 2007)	\$ 110,000	20 Yrs	\$ 5,500
Well #4 (New In 2020)	\$ 110,000	20 Yrs	\$ 5,500
Well #8	\$ 110,000	20 Yrs	\$ 5,500
Well #11 (New In 2018)	\$ 110,000	20 Yrs	\$ 5,500
Well #12 (New In 2015)	\$ 110,000	20 Yrs	\$ 5,500
Total	\$ 550,000		\$ 27,500
<b>TOTAL EQUIPMENT REPLACEMENT</b>			\$ 158,100



RMU Water Division  
Non-Debt Funded Projects Budget

PROJECT	CALENDAR YEAR					
	2022	2023	2024	2025	2026	2027
WELL PUMPS						
Well #4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well #8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well #10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well #11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well #12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WELL BUILDING/WATER TREATMENT						
Well #4	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -
Well #8	\$ 300,000	\$ 3,450,000	\$ 3,450,000	\$ -	\$ -	\$ -
Well #10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well #11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well #12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ELEVATED WATER STORAGE TANKS						
Tank Inspections	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -
Well #4	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -
Well #8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well #11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Well #12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WATER MAIN REPLACEMENT	\$ -	\$ 310,000	\$ 360,000	\$ 300,000	\$ 410,000	\$ 500,000
WATER TRANSMISSION MAINS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REPLACEMENT ITEMS						
Distribution Meters	\$ 250,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Water Maintenance Blanket	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
VEHICLES AND EQUIPMENT						
Pickup Truck - 3/4 Ton (4 Each)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dump Truck (2 Each)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Backhoe (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skid Loader	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Truck	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 1,300,000	\$ 4,685,000	\$ 4,030,000	\$ 475,000	\$ 585,000	\$ 675,000
OTHER FUNDING SOURCES	\$ 300,000	\$ 4,200,000	\$ 3,450,000	\$ -	\$ -	\$ -
NON-DEBT FUNDED PROJECTS	\$ 1,000,000	\$ 485,000	\$ 580,000	\$ 475,000	\$ 585,000	\$ 675,000