

**ROCHELLE CITY COUNCIL**  
**AGENDA ITEM MEMO**  
**REGULAR MEETING**

**SUBJECT:** Resolution establishing City of Rochelle Water Rates, Effective January 1, 2023

**Staff Contact:** Adam Lanning

**Summary:** Since 2015, the City has made significant improvements to the water supply and distribution system. These improvements were much needed and critical to maintaining a reliable water supply to the City. Improvements include constructing a new wellhouse and elevated storage tank, 2 radium removal plants and recently a new wellhouse set to startup on June 1<sup>st</sup>. In addition well 8 is currently under design for the construction of an iron removal plant since that well has essentially been unusable since the 1990's.

The current rate structure was established on January 1, 2020 after a rate analysis was conducted by Willett Hofmann & Associate's in 2019. Recently, Willett Hofmann was hired again to conduct a thorough rate analysis which entailed evaluating expenses, revenues, outstanding debt, and future infrastructure investments for the next 5 years.

The findings for this rate study resulted in an average rate increase per year for the next 5 years as follows: residential - 4.9%, commercial - 5.4%, industrial - 2.8%. In addition, a recommended fee schedule is included for establishing outside lab testing services. The recommended rate increase will take effect January 1, 2023 through 2027 and will insure a continued investment in the City water system.

**Funding Sources:**

Source:	2022 Budgeted Amount:	Proposed Expenditure:
SRF Loan	N/A	N/A

**Strategic Plan Goal Application:** Develop and implement a plan to replace/repair infrastructure to work in concert with the CIP

**Recommendation:** To Approve a Resolution Authorizing the adoption of a 5-year rate schedule for water.