

ROCHELLE CITY COUNCIL

AGENDA ITEM MEMO

REGULAR MEETING

SUBJECT: Resolution establishing City of Rochelle Water Reclamation Rates, Effective August 1, 2024

Staff Contact: Adam Lanning

Summary: Since 2015, the City has made significant improvements to the water reclamation collection and treatment system. These improvements were much needed and critical to maintaining reliable waste water treatment for the City. Improvements include constructing or lining over 5 miles of sanitary sewer, 100’s of manholes and upgrading approximately half of the wastewater treatment plant to meet future regulations.

The current rate structure was established on August 1, 2021 after a rate analysis was conducted by Willett Hofmann & Associate’s in 2020. 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 phase 2 WWTP upgrade project will incur an IEPA low interest loan payment and this rate structure will ensure the City has the financial capability to make the annual payments.

The findings for this rate study resulted in an average rate increase per year for the next 5 years as follows: residential – 2.86%, industrial - 2.0%, Creston/Hillcrest – 3.0%. The recommended rate increase will take effect August 1, 2024 through 2028 and will ensure a continued investment in the City wastewater system. In addition, we changed the summer sewer saver rates to include April and May, but deleting October to cover when customers are filling pools.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
N/A	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: Approve a Resolution Authorizing the adoption of a 5-year rate schedule for water reclamation.