

The background is a dark gray gradient with faint, concentric circular ripples emanating from the center. Scattered throughout are numerous water droplets of various sizes, some with bright highlights, giving a sense of liquid movement and freshness.

LOVES PARK WATER DEPT.

WATER RATE INCREASE NEEDS ANALYSIS

JUNE 26TH, 2017

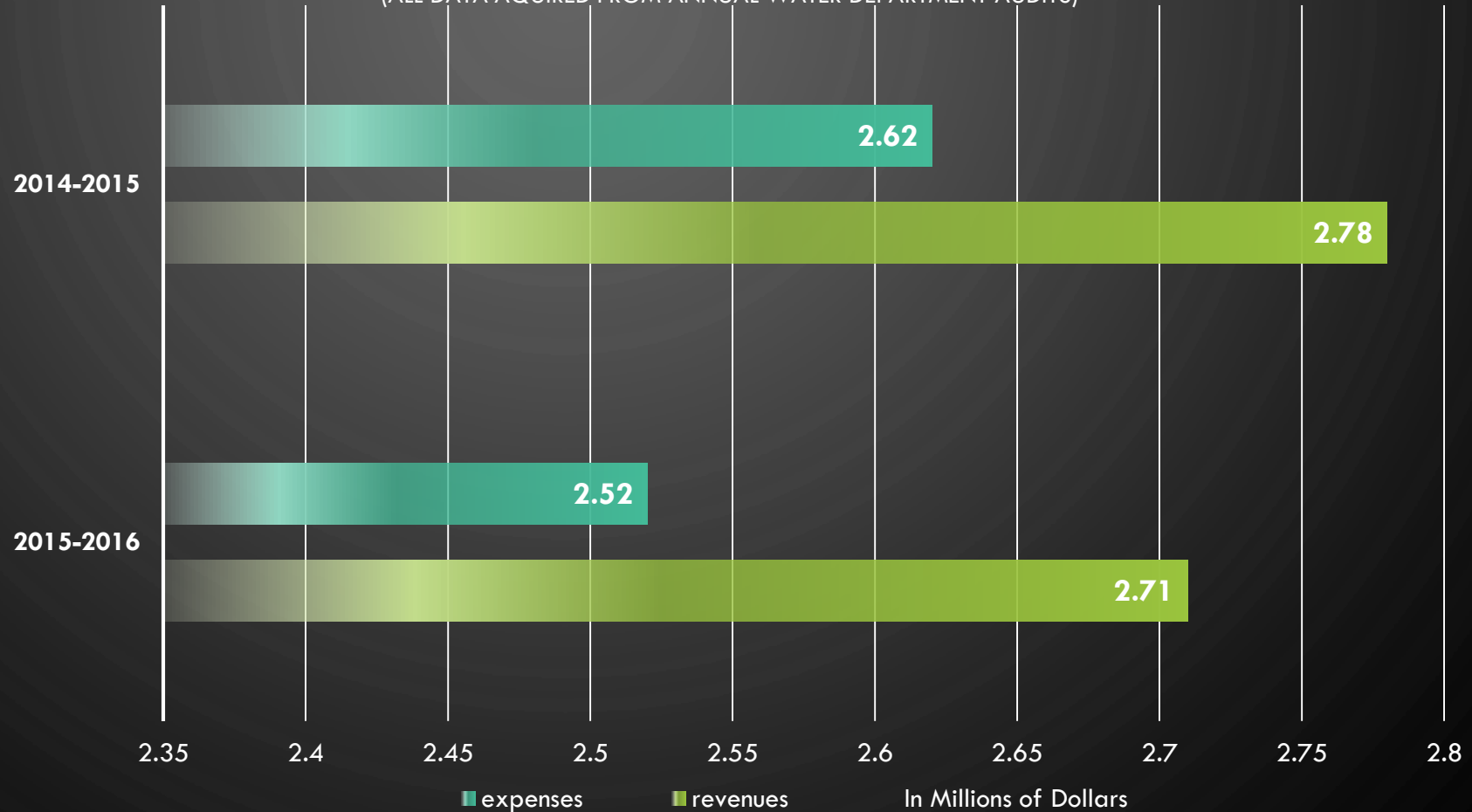
RECENTLY COMPLETED INFRASTRUCTURE IMPROVEMENTS

- ADDITION OF WELL #6 (2010)
- UPGRADED WELL #1 FILTER CONTROLS (2011)
- WELL 6 RADIUM REMOVAL PLANT (2012)
- SCADA MAIN SERVER UPGRADE (2015)
- UPGRADED HMO CONTROLS AT WELLS 4&5 FOR RADIUM REMOVAL (2016)
- MULTIPLE WELL HOUSE MODIFICATIONS NEEDED PER IEPA REPORT (SEPARATION OF CHEMICALS) (2016)
- MODIFICATION OF FILTER BACKWASH DETENTION TANKS TO MEET RRWRD REQUIREMENTS (2016)
- REMOVAL OF RADIUM SLUDGE AT WELLS #6 AND #4 (2016)

REVENUE VS COSTS

AVERAGE ANNUAL SURPLUS OF \$157,000

(ALL DATA ACQUIRED FROM ANNUAL WATER DEPARTMENT AUDITS)



THE SMALL MARGIN BETWEEN REVENUE AND EXPENSES MEANS THE CITY HAS TO WAIT SEVERAL YEARS TO HAVE ENOUGH SURPLUS TO COMPLETE SOME NEEDED PROJECTS.

THIS ALSO CREATES AN INCREASING BACKLOG OF NEEDED PROJECTS WHICH HINDERS PROACTIVE AND PREVENTATIVE IMPROVEMENTS.

NEEDED INFRASTRUCTURE IMPROVEMENTS

- REPLACEMENT OF APPROX. 40 MILES OF 70 PLUS YEAR OLD CAST IRON WATER MAINS WHICH COMPRISE 90% OF CITY'S WATER MAIN BREAKS (EST COST OF \$175 A LINEAL FOOT / \$924,000 PER MILE)
- REPLACE 300+ UNREPAIRABLE FIRE HYDRANTS (PARTS UNAVAILABLE)
- REPLACE INOPERABLE MAIN LINE VALVES
- ADDITION OF MAIN LINE VALVES TO MINIMIZE LOSS OF SERVICE
- ADDITION OF A NEW WELL AND FILTER PLANT
- AN ADDITION OF A 1 MILLION GALLON ELEVATED STORAGE TANK
- REPLACE UNDERSIZED WATER MAIN PER IEPA INSPECTION REPORT
- INSTALLATION OF NEW 12 INCH WATER MAIN (ORTH RD.)
- NEEDED IMPROVEMENTS TO WATER DEPARTMENT MAIN OFFICE



ANTICIPATED INCREASES IN EXPENSES DURING THE NEXT YEAR

- NEW IEMA REQUIRED RADIUM SLUDGE REMOVAL AT WELLS #4, #5, #6 (\$270,000 PER OCCURRENCE – FREQUENCY OF REMOVAL IS NOT YET DETERMINED BY REGULATING AGENCY)
- REMOVAL OF WELLS 5 AND 6 FOR REQUIRED PUMP INSPECTION AND MAINTENANCE (\$340,000-\$500,000 DEPENDING ON REPAIR RECOMMENDATIONS)
- REPLACEMENT OF CHEMICAL PUMPING AND HANDLING EQUIPMENT (EXCEEDED LIFE EXPECTANCY) (\$50,000)
- EQUIPMENT UPGRADES IN WATER QUALITY AND TESTING REQUIREMENTS (\$25,000)
- MAINTAIN IEPA REQUIRED BACK FLOW PROGRAM AND BI-ANNUAL WATER USE SURVEY (\$22,000)
- MEET INCREASING RRWRD DISCHARGE PERMIT REQUIREMENTS
- TREATMENT OF WELL #4 BIO-FOULING

NEEDED WELL AND SCADA IMPROVEMENTS

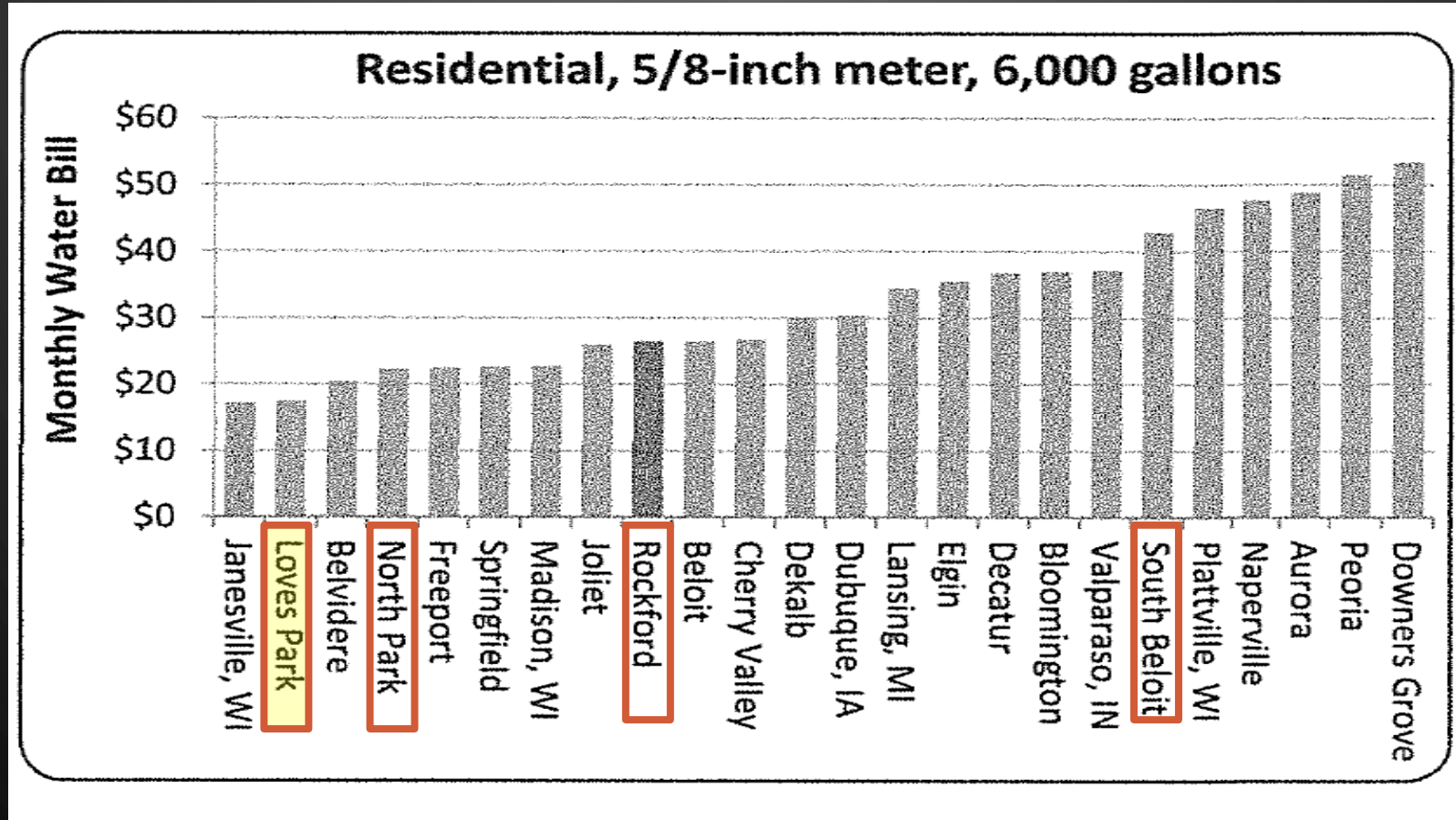
- UPGRADE REMAINING SCADA COMPONENTS
- CONTINUE BUILDING MAINTENANCE AND REQUIRED IMPROVEMENTS
- PAINTING OF TOWER #1
- IMPROVEMENT OF WATER SAMPLING AND TESTING AT ALL SITES
- IMPLEMENTATION OF WELL PERFORMANCE TESTING
- FILTER MEDIA TESTING AND TREATMENT OR REPLACEMENT

REQUIRED TO IMPROVE EFFICIENCIES, PAYMENT OPTIONS AND CUSTOMER INTERFACE

- BILLING SOFTWARE UPGRADE
- MULTIPLE PAYMENT OPTIONS
- AN AUTOMATED WATER METER READING SOLUTION ELIMINATING NEED FOR CUSTOMER SENDING IN METER READINGS
- WATER DEPARTMENT WEB PAGE
- WEB BASED CUSTOMER INTERFACE
- DIGITIZATION OF ALL WATER DEPARTMENT FILES
- ADDITIONAL OFFICE SPACE AND REDESIGN CUSTOMER PARKING

REGIONAL COMPARATIVE WATER RATES

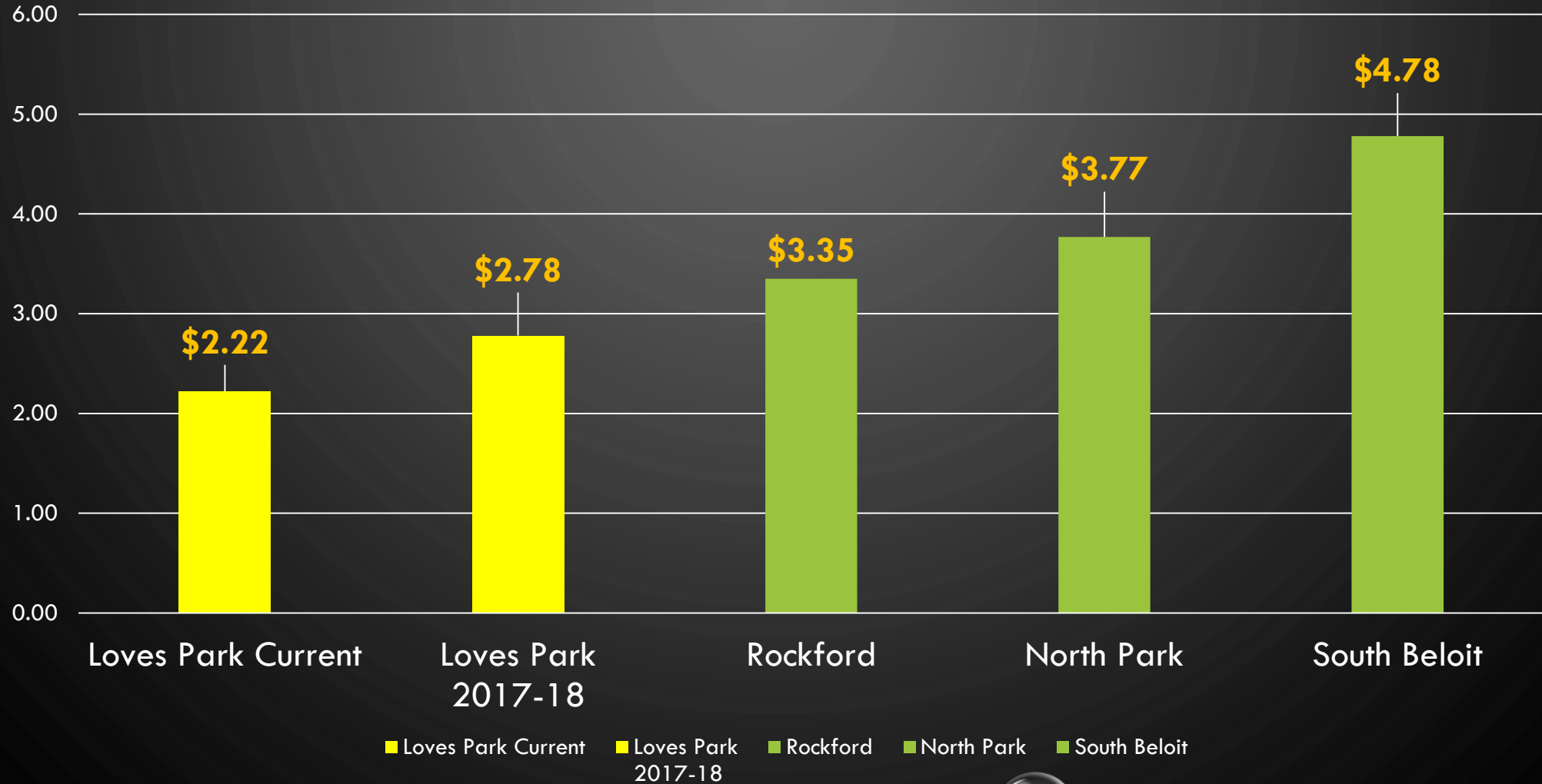
2014 Rate Study by the American Waterworks Association



COMPARATIVE WATER RATES AS OF 2017

Proposed 25% Increase Illustrated Below

Cost per 1,000 gallons



LOCAL EFFECTS OF RATE INCREASE

GALLONS USED	REVISED RATE	METER FEE	TOTAL BILL	INCREASED PER MONTH
4,200 (Average Per Residential Unit)	\$11.68	\$4.50	\$16.18	\$2.35
5,000	\$13.90	\$4.50	\$18.40	\$2.80
7,500 (Estimated larger home)	\$20.85	\$4.50	\$25.35	\$4.20
10,000	\$27.80	\$4.50	\$32.30	\$5.60
15,000	\$41.70	\$4.50	\$46.20	\$8.40
20,000	\$55.60	\$4.50	\$60.10	\$11.20
25,000	\$68.10	\$4.50	\$72.60	\$13.70
30,000	\$80.60	\$4.50	\$85.10	\$16.20
35,000	\$93.10	\$4.50	\$97.60	\$18.70
40,000	\$105.60	\$4.50	\$110.10	\$21.20

METER FEE IS BASED ON TYPICAL $\frac{5}{8}$ OR $\frac{3}{4}$ RESIDENTIAL METER.
CUSTOMERS WITH LARGER METERS HAVE HIGHER METER FEES.

The background is a dark gray gradient. In the corners, there are several realistic water droplets of various sizes, some overlapping, creating a clean and modern aesthetic.

PLEASE CONTACT THE WATER DEPARTMENT OFFICE AT 815-877-1421 OR
EMAIL US AT Lpadmin@lovesparkwater.com WITH ANY QUESTIONS
REGARDING THIS INCREASE.