

WATER RATE INCREASE PROPOSED IMPROVEMENTS AND APPROXIMATE BILL INCREASES

FOR FISCAL YEAR 2017-2018

The City of Loves Park Water Department takes pride in providing the best services possible to its customers. We work hard to keep costs down to lessen the financial impact to its citizens. This can be a rather daunting task at times. With costs of daily operations increasing, we need to focus on securing the financial stability of the water department. This, unfortunately, results in the need for the increase of water rates. Without the water rate increase we would not be able to guarantee future financial stability. We are looking towards the future and increased needs to maintain a safe and reliable drinking water source for our customers.

The following is a summary of the planned improvements as a result of the water rate increase. The rate increase will allow us to expedite infrastructure improvements as well as improvements in customer services.

***Proposed Improvement one: Billing software upgrade**

This proposed improvement would increase customer service as well as address the growing need for multiple payment options. With this upgrade, we would also implement a customer web based interface.

Approximate cost: \$100,000

***Proposed Improvement two: Meter reading solution**

This proposed improvement would upgrade water meters to a radio based reading system. This would remove the responsibility of meter readings coming from the customers as well as provide real time information.

Approximate cost: \$1,800,000

***Proposed Improvement three: Preliminary work for addition of well and filter plant**

This proposed improvement would be preliminary work for the addition of a new well and filter plant to increase production. This would include a geographical land survey, the acquisition of land, engineering and infrastructure analysis.

***Proposed Improvement four: Addition of 12 inch water main**

This proposed improvement would add needed 12 inch water main to the current system. This would improve pressure, fire suppression, and improved water quality.

Approximate cost: \$175 per foot (thousands needed)

The average residential customer uses 4,200 gallons of water per month. This increase will add \$2.24 per month to the current bill. There will be no increases on fees at this time.

The following table shows the impact of the rate increase on an individual bill based off of gallons used.

GALLONS USED		DOLAR AMOUNT		FEES		TOTAL BILL		INCREASE PER MONTH
5,000		\$13.90		\$4.50		\$18.40		\$2.80
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