

# Water and Sewer Rate Study



Village of Oak Park, Illinois

December 2014



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# Executive Summary

## General

The Village of Oak Park receives water, treated at the Jardine Water Purification Plant, from the City of Chicago. The City of Chicago meters water volume at a connection point with the Village which is the basis for charges to the Village. The Village subsequently distributes potable water to its customers through a network of water mains, four underground reservoirs, and pumping stations. The Village's Water and Sewer Division is responsible for operation and maintenance of the distribution and storage system. Chicago's charge for the purchase of water is factored into the rates that the Village charges its customers.

The Village's Water and Sewer Division is also responsible for operation and maintenance of the combined sewer system including lift stations. The costs to operate the conveyance system are included in the sewer rates charged based on water usage. The Village's sewer is discharged to the Metropolitan Water Reclamation District of Greater Chicago (MWRDGC). The cost for this service is included in property tax bills and is not included as a part of the water and sewer billings.

Water and sewer operating and capital expenses are projected to exceed water and sewer revenues with present rates. Revenues will lag behind increasing operating expenses primarily as a result of reduced water usage and inflationary cost increases. Major capital improvements are programmed to be completed over the next five years. The increases in expenses require additional revenues to balance the Water and Sewer account.

Funding some capital projects from the Water and Sewer Fund's balance will be necessary if rates are not adjusted. However, the current balance is projected to be depleted in Year 2015 if changes are not made.

A water and sewer rate increase is recommended to maintain services due to:

- Continuing water rate increases programmed by the City of Chicago.
- Increasing capital expenses identified in the proposed Capital Improvement Plan that are required due to aging infrastructure.
- Increasing water and sewer spending due to inflation and increased maintenance costs associated with the system age.
- Declining water usage due to ongoing water conservation efforts and the increasing cost of water.

### **Existing Rate Schedule**

The basic components of the existing rate schedule are uniform volume charges for both water and sewer based on water meter readings and a fixed minimum customer monthly charge.

The last water and sewer volume rate increase occurred January 1, 2014. The fixed customer charge has remained the same since January 1, 1999.

### **Operating Expenses**

Operating expenses are those operation and maintenance (O&M) expenses that occur while providing water and sewer service. Expenses are projected to increase from \$11.4 million in Year 2015 to \$11.6 million in Year 2019 due to modest inflation.

### **Capital Expenses**

Capital expenses include those costs associated with improvements needed to upgrade the systems or complete necessary repairs to the aging water distribution and sewer collection systems.

Table ES-1 presents current and projected capital financing expenses for the water system. Three previous water capital improvement projects were funded with debt service. Principal and interest payments for the bonds are paid semi-annually with water charges revenue. The rate analysis is based on funding \$14.3 million of programmed water capital improvement projects from annual revenues in Years 2015 through 2019.

Table ES-2 presents projected capital financing expenses for the sewer system. The rate analysis is based on funding \$13.7 million of programmed sewer capital improvement projects from annual revenues in Years 2015 through 2019.

**Table ES-1 Capital Financing Expenses - Water**

	2015	2016	2017	2018	2019
<b>Previous Projects</b>		<b>Principal &amp; Interest (P&amp;I) Payments</b>			
Series 2010C (Water Portion)	\$509,617	\$507,783	\$504,437	\$506,433	\$507,665
Series 2011B	\$112,358	\$114,793	\$114,268	\$113,743	\$113,218
Series 2012A	\$210,919	\$208,756	\$234,216	\$284,343	\$291,315
<b>TOTAL Debt Service</b>	<b>\$832,894</b>	<b>\$831,332</b>	<b>\$852,921</b>	<b>\$904,519</b>	<b>\$912,198</b>
<b>Capital Outlay from Revenues</b>					
CIP Surveying Services	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
Annual Water main Repl/Eng		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
North Blvd/Kenilworth & Clinton Viaducts	\$500,000				
Water Valve Repl Program	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000
Lake St. (Harlem to Austin)			\$500,000		
Chicago Ave. (Harlem/ Austin)		\$1,200,000			
Oak Park Ave. (Roos. to North Ave.)				\$900,000	
Maple/South Blvd Main Rel	\$100,000				
S Blvd Streetscape Main Rep	\$490,000				
I-290/Wenonah Crossing Eng				\$75,000	
I-290/Wenonah Crossing					\$750,000
Meter/Register Head Repl	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Fixed Network for Water meter Reading		\$40,000			
Security Improvements	\$10,000		\$25,000		\$25,000
CPS Reservoir Roof Lining	\$1,425,000				
CPS VFD Repl (4 @ \$25k)			\$100,000	\$100,000	
SCADA Computers		\$6,000			
Automatic flushing Devices	\$17,500	\$17,500			
SPS & NPS Chicago Meter Totalizers					\$30,000
SCADA Upgrade for Chicago Meter Totalizers					\$45,000
Bulk Water Station			\$40,000		
Sampling Stations (qty 12)					\$24,000
SPS & NPS Fiberglass Walk	\$40,000	\$40,000			
Concrete Driveway at NPS		\$35,000			
Equipment	\$162,718	\$5,000	\$5,000	\$5,000	\$5,000
Vehicles	\$27,000	\$110,000	\$145,000	\$45,000	
<b>TOTAL Capital Outlay from Revenues</b>	<b>\$3,042,218</b>	<b>\$3,228,500</b>	<b>\$2,540,000</b>	<b>\$2,285,000</b>	<b>\$2,604,000</b>
<b>TOTAL Water Capital Financing</b>	<b>\$3,875,112</b>	<b>\$4,059,832</b>	<b>\$3,392,921</b>	<b>\$3,754,519</b>	<b>\$3,516,198</b>

Source: Oak Park Capital Improvement Program

**Table ES-2 Capital Financing Expenses - Sewer**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Capital Outlay from Revenues</b>					
CIP Surveying Services	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
Annual Sewer Main Repl/Eng		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Ridgeland Ave. Sewer Main Repl/Lining	\$1,250,000				
Kenilworth (Chicago - Augusta)	\$750,000				
North Blvd/Kenilworth & Clinton viaducts	\$500,000				
Lake St. (Harlem to Austin)			\$800,000		
Chicago Ave. (Harlem to Austin)		\$300,000			
Oak Park Ave. (Roos. to North Ave.)				\$2,000,000	
Project Eng (Sewer Modeling)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Sewer Backup Protection Grant Program	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
RainScape Grant Program		\$25,000			
Permeable Pavement Reimb		\$25,000			
Watermeter/Register Head Replacement	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Fixed Network for Watermeter Reading		\$50,000			
Equipment	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Vehicles	\$120,000		\$110,000	\$120,000	\$200,000
<b>TOTAL Capital Outlay from Revenues</b>	\$2,905,000	\$2,190,000	\$2,700,000	\$3,910,000	\$1,990,000

Source: Oak Park Capital Improvement Program

## **Water and Sewer Rate Schedule**

The Village uses a uniform volume rate structure for both water and sewer charges. A uniform rate structure means that the cost per volume charge remains the same regardless of the volume of usage. This rate structure results in increased customer bills with increased usage.

The Village also uses a minimum customer monthly charge. The rate represents “the privilege of connection to and the right to use water and shall be charged each consumer, regardless of the amount of water used per month”, according to the Water and Sewer Rate Ordinance. Currently, the charge is assessed only to accounts that have no water usage during the given month. The purpose of a minimum customer charge is for recovering some “readiness to serve” expenses. The Village must remain ready to serve customers with water and sewer services at all times. This readiness to serve involves expenses whether or not services are used.

A recommendation of this rate study is to assess the fixed customer charge to all accounts on a monthly basis. The charge should also serve as a minimum charge even when no water is used. The customer charge recognizes some fixed costs such as meter reading, billing, accounting, and administration, which do not vary based on water usage, in addition to some of the capital investment costs. The customer charge will provide a stable source of revenue that is not tied to water usage which can fluctuate.

## **Rate Analysis**

A cost-of-service rate analysis was performed to develop water and sewer rates that accurately reflect the cost to serve customers. This type of analysis directly assigns expenses to services that are provided. Customers are then charged an amount equal to the cost-of-service provided to them. This approach charges fair and equitable rates to all customers.

Expenses, including operating costs and financing for capital improvements, were allocated to billing quantities for volume and customer charge.

Table ES-3 summarizes present water and sewer rates and proposed cost-of-service rates to meet Years 2015 through 2019 projected operating and programmed capital project expenses.

Based on discussions with Village staff, a portion of total expenditures were allocated to the fixed customer charge. Allocating fixed costs to the customer charge reduces the volume charge increase that is required. Proposed rates include an inclining customer charge. An inclining customer charge means that the charge increases with the size of the water meter. An inclining customer charge recognizes that readiness to serve capital investment expenses increase as anticipated water demand (meter size) increases.

The proposed customer charge remains fixed at \$5.00 in Years 2015 through 2019 for 1” meters or less, \$10.00 for 1 ½” to 3” meters, and \$15.00 for 4” meters or greater. Significant increases are proposed for water and sewer volume rates in 2015 and 2016 due to major programmed capital projects and increase in the cost of Chicago water.

Proposed water volume rates include a 13.5 percent increase on January 1, 2015, 7.0 percent increase on January 1, 2016, and uniform annual volume rate increase of 2 percent on January 1 of Years 2017 through 2019.

Proposed sewer volume rates include an 11 percent increase on January 1, 2015, 6.5 percent increase on January 1, 2016, and uniform annual volume rate increase of 2 percent on January 1 of Years 2017 through 2019.

**Table ES-3 Proposed Water and Sewer Rates**

	Present Rates	Proposed Rates				
		2015	2016	2017	2018	2019
<b>Water Volume Charge (per 1,000 gallons)</b>						
	\$7.37	\$8.37	\$8.96	\$9.14	\$9.33	\$9.52
<b>Sewer Volume Charge (per 1,000 gallons)</b>						
	\$2.15	\$2.39	\$2.55	\$2.61	\$2.67	\$2.73
<b>Customer Charge (per account per month)</b>						
≤ 1" meter	\$2.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
1 ½" – 3" meter	\$2.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
≥ 4" meter	\$2.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00

Source: Stanley Consultants, Inc.

Table ES-4 summarizes the resulting rate impact on a typical small residential customer with implementation of proposed 2015 cost-of-service water and sewer rates.

The resulting rate impact for a typical residential customer with a 1” or smaller meter and using 4,500 gallons of water per month, or 150 gallons of water per day, is an increase in their quarterly bill from \$128.52 to \$160.26 in Year 2015 or an increase of \$31.74 per quarter, \$10.58 per month, or \$0.35 per day.

**Table ES-4 Typical Water and Sewer Bill for Small Family**

	<b>Monthly Usage (gallons)</b>	<b>Water Volume Charge (per 1,000 gallons)</b>	<b>Sewer Volume Charge (per 1,000 gallons)</b>	<b>Customer Charge (per account per month)</b>	<b>Quarterly Bill</b>	<b>Quarterly Increase</b>
Present	4,500	\$7.37	\$2.15		\$128.52	
2015 Proposed	4,500	\$8.37	\$2.39	\$5.00	\$160.26	\$31.74
2016 Proposed	4,500	\$8.96	\$2.55	\$5.00	\$170.39	\$10.13
2017 Proposed	4,500	\$9.14	\$2.61	\$5.00	\$173.63	\$3.24
2018 Proposed	4,500	\$9.33	\$2.67	\$5.00	\$177.00	\$3.38
2019 Proposed	4,500	\$9.52	\$2.73	\$5.00	\$180.38	\$3.38

Source: Stanley Consultants, Inc.

For estimating purposes, the impact on volume rates is summarized below:

A change of \$100,000 in annual expenditures results in about a \$0.07 per 1,000 gallons, or \$0.32 per month, or \$0.95 per quarter change on a typical small residential bill.

### **Fund Balance**

The proposed rate increases are projected to maintain a positive cash balance in the Water and Sewer Fund. A healthy fund balance covers fluctuating cash flow and allows actual expenditures to exceed actual revenues during a year.

The Fund balance was about \$118,000 at the end of Year 2013. The fund is projected to be about \$2.13 million at the end of Year 2014 and depleted in Year 2015 if rates remain the same and the proposed capital improvements plan is implemented because expenses will be greater than revenue collected.

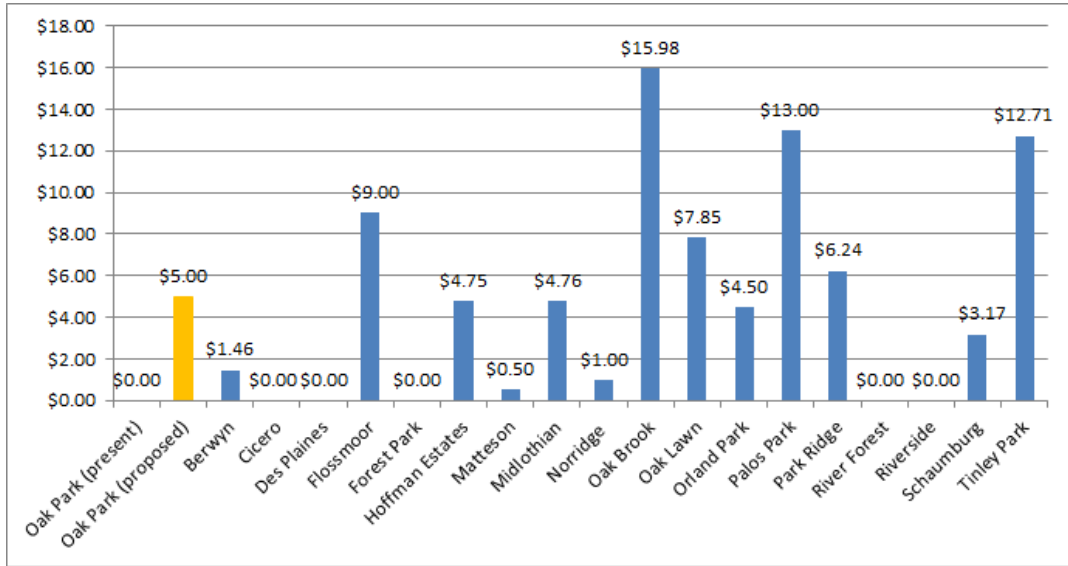
This report presents a five year plan to cover expenses and maintain a positive cash balance in the Water and Sewer Fund. The Village’s goal is to maintain a minimum fund balance equivalent to 20 percent of operating costs, or about \$2.26 million. The proposed rates are projected to meet



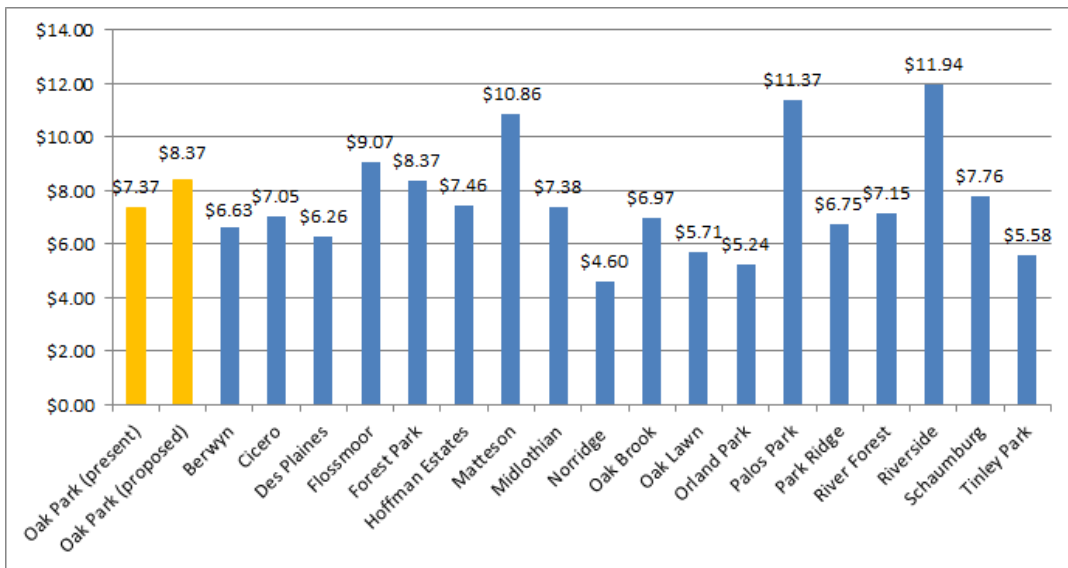
this fund balance goal in Year 2019. The projected fund balance in Year 2019 is about \$2.35 million.

### Rate Comparison with Other Communities

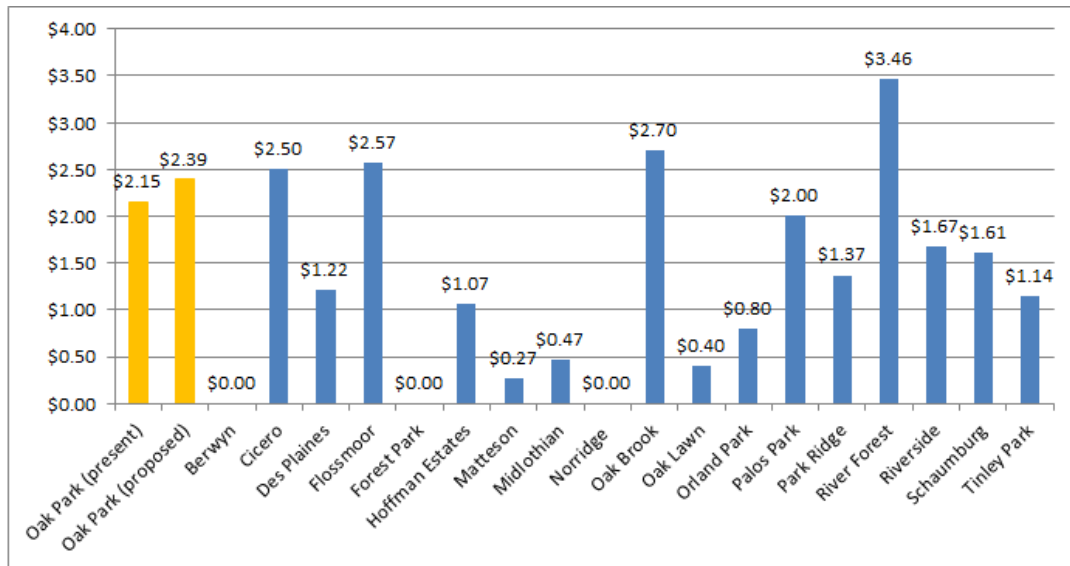
Figures ES-1, ES-2, and ES-3 present a comparison of Oak Park’s present and proposed Year 2015 fixed rate, water volume rate, and sewer volume rate to rates for other communities. The water rates for all communities include the cost of water distribution with Chicago’s charge for the purchase of water factored in. The sewer rates include the cost of sewer collection only.



**Monthly Fixed Charge**  
**Figure ES-1**



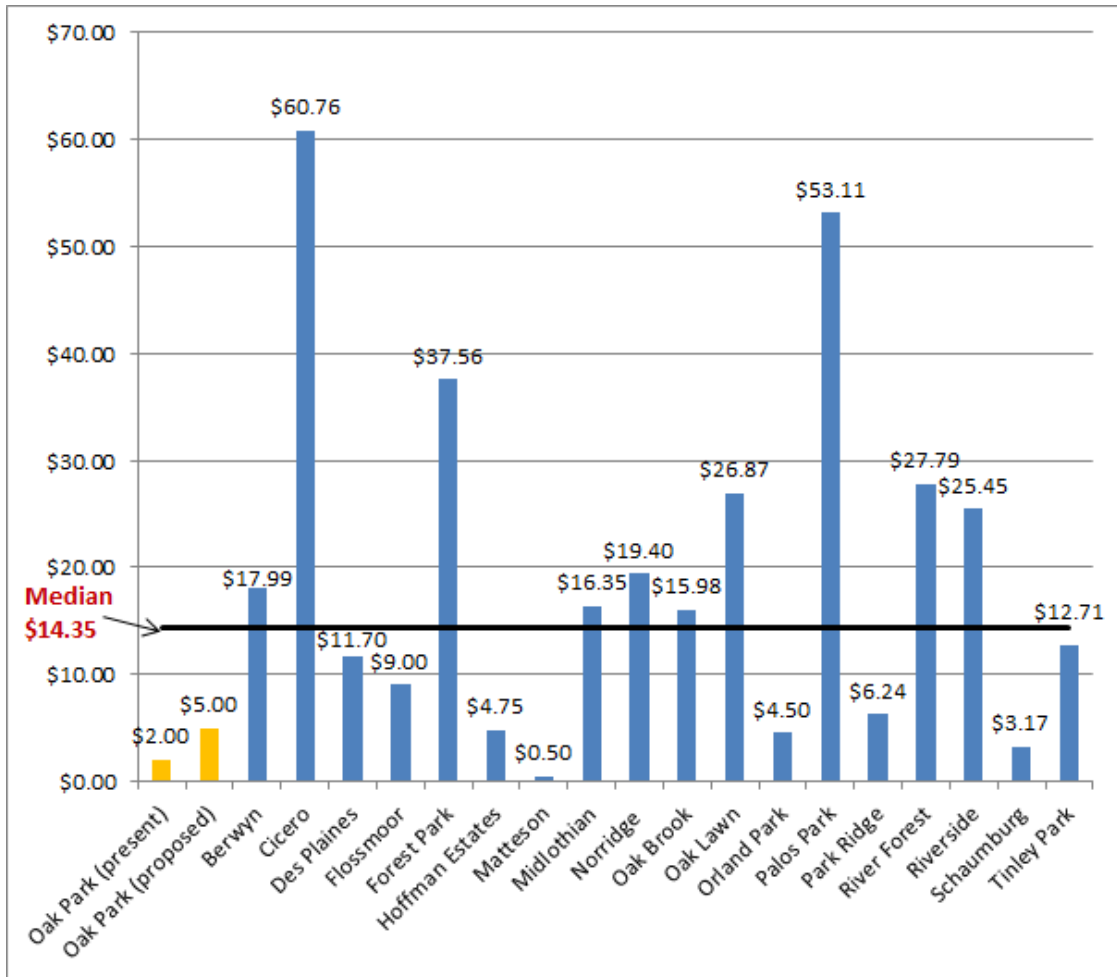
**Water Rate (per 1,000 gallons)**  
**Figure ES-2**



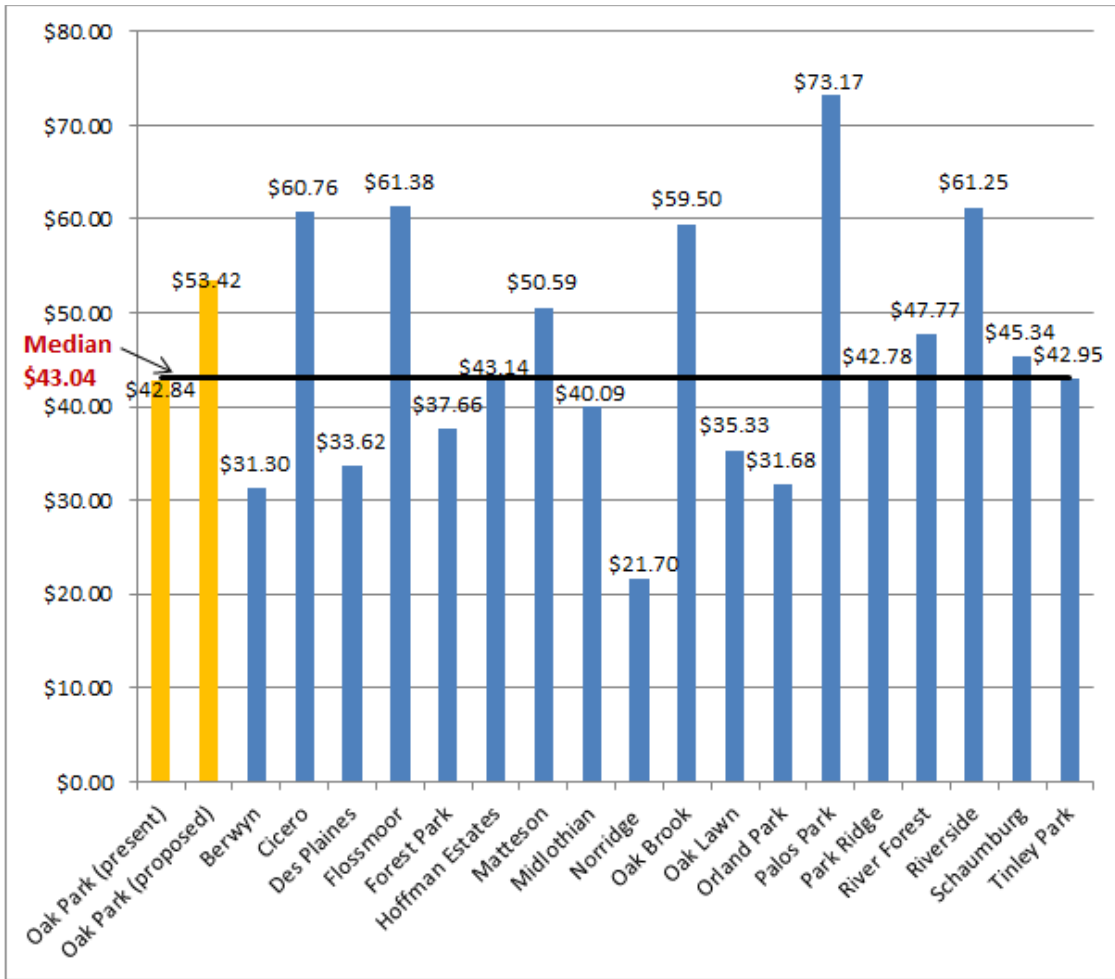
**Sewer Rate (per 1,000 gallons)**  
**Figure ES-3**

Figures ES-4, ES-5, and ES-6 present a comparison of Oak Park’s present and proposed Year 2015 monthly charges to other communities. Figure ES-4 presents the monthly minimum bills. Oak Park’s proposed minimum bill applies to customers with a 1” or smaller meter. Figure ES-5 presents monthly charges for 4,500 gallons per month (150 gallons per day). Figure ES-6 presents monthly charges for 7,500 gallons per month (225 gallons per day).

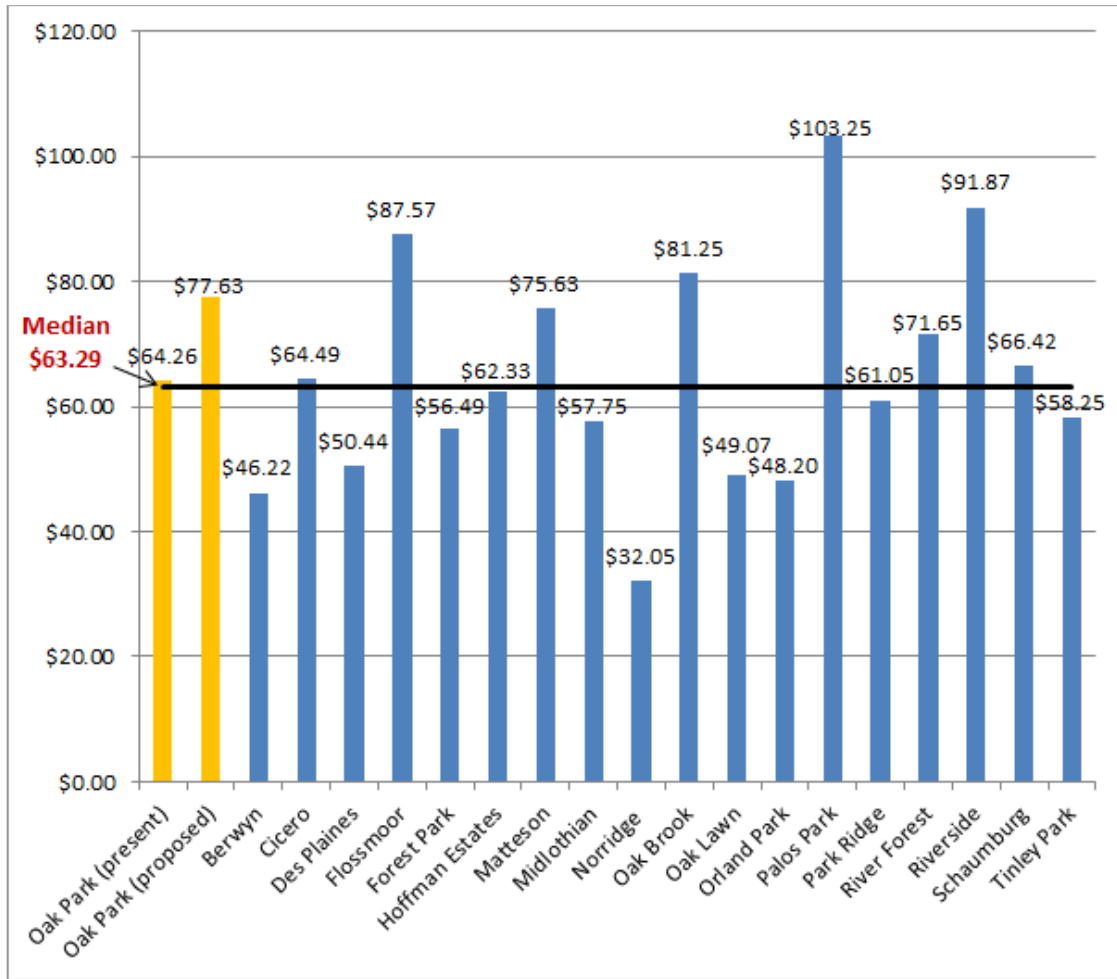
The figures represent the most current known rate data. Numerous other communities are facing higher water and sewer expenses and are also anticipating a raise in rates.



**Monthly Minimum Bill  
Figure ES-4**



**Monthly Charge for 4,500 gallons  
Figure ES-5**



**Monthly Charge for 6,750 gallons  
Figure ES-6**

### Conclusions/Recommendations

The existing minimum customer monthly charge recovers just a small portion of the “readiness to serve” expenses. A recommendation of this rate study is implementation of a fixed customer charge that is assessed to all accounts on a monthly basis and serves as a minimum charge even when no water is used. Implementation of the proposed customer charge and water and sewer volume rates will cover expenses and build a healthy fund balance.

The fixed charge will provide a stable source of revenue that is not tied to water usage which can fluctuate. Allocating fixed costs to the customer charge reduces the volume charge increase that is required. Proposed rates include an inclining customer charge. The proposed customer charge remains fixed at \$5.00 in Years 2015 through 2019 for 1” meters or less, \$10.00 for 1 ½” to 3” meters, and \$15.00 for 4” meters or greater.

Proposed water and sewer volume rates result in revenue that is less than expenses in Years 2015 and 2018 which will require funding of some capital projects from the fund account balance. The objective is to reduce the impact of the rate increase in the first year.

An alternative is to postpone some capital projects programmed for Year 2015 and implement uniform or slightly increasing capital expenditures in Years 2015 through 2019. This approach would further reduce the impact of rate increases in the first two years and allow for evenly increasing rates over the five years.

Other recommendations have been identified in addition to the water and sewer rate and customer charge increases. The recommendations are discussed below.

- **Increased Billings**

The Village may want to consider billing residential customers on a monthly or bi-monthly basis versus a quarterly basis. Most municipalities bill on a monthly basis using estimated readings when actual monthly meter readings are not available. More frequent billing will result in some additional billing expenses. However, billing monthly or bi-monthly will reduce the billed amount on each invoice and help customer's cash flow. Monthly or bi-monthly billing has also been found to reduce the amount of uncollectible billings.

- **Fund Reserve**

A healthy fund balance covers fluctuating cash flow and allows actual expenditures to exceed actual revenues during a year. The Village's goal is to maintain a minimum fund balance equivalent to 20 percent of operating costs.

The Village does not have an established water and sewer fund reserve. A fund reserve is recommended to provide a contingency for unexpected maintenance or replacement costs that may arise. The fund can also be allowed to grow with unspent moneys earmarked for future capital improvement projects.

- **Annual Rate Reviews**

Re-evaluation of rates every year is recommended to assess the adequacy of rates for keeping pace with inflation, capital improvement expenditures, and actual capital improvement funding sources. Completion of proposed capital improvements will provide more accurate project cost estimates. Also, revenues due to rate increases will be known. The Village's current 5-year Capital Improvement Program identifies projects programmed for completion through Year 2019. Implementation of rate adjustments at least every three years is recommended so that proper adjustments to changing conditions can be made.

# Table of Contents

Section 1 -- Introduction .....	1-1
General.....	1-1
Water and Sewer Rate Analysis Spreadsheets .....	1-3
Existing Water and Sewer Rate Schedule.....	1-3
Study Parameters .....	1-3
Acknowledgements.....	1-4
Section 2 -- Philosophical Issues .....	2-1
General.....	2-1
Water and Sewer Rate Schedule .....	2-1
Uniform Water and Sewer Volume Charge .....	2-1
Minimum Customer Monthly Charge.....	2-2
Fund Balance .....	2-2
Conclusions/Recommendations .....	2-2
Other Recommendations.....	2-3
Section 3 -- Billing Quantities .....	3-1
General.....	3-1
Number of Accounts .....	3-1
Number of Monthly Customer Charge Billings.....	3-2
Billable Volume .....	3-2
Billable Volume .....	3-3
Section 4 -- Revenues and Expenses.....	4-1
General.....	4-1
Present Rates.....	4-1
Revenues from Present Rates.....	4-1
Operating Expenses .....	4-2
Capital Financing.....	4-4
Projected Operating Results with Present Rates .....	4-5
Section 5 -- Unit Cost-of-Service .....	5-1
General.....	5-1
Cost-of-Service Analysis .....	5-1

Operating Expense and Capital Financing Allocation .....	5-1
Cost-of-Service Unit Rates .....	5-3
Section 6 -- Rate Design .....	6-1
General.....	6-1
Proposed Rates.....	6-1
Revenues from Proposed Rates .....	6-2
Operating Results with Proposed Rates .....	6-3
Typical Customer Bills .....	6-5
Section 7 -- Implementing Rate Adjustments .....	7-1
General.....	7-1
Implementing Rate Adjustments.....	7-1

### TABLES

Table 1-1 Study Parameters (Projected Year 2015).....	1-4
Table 5-1 Allocation of Operating Expenses.....	5-2
Table 5-2 Unit Cost-of-Service Allocations and Rate Development –Year 2015 .....	5-3

### FIGURES

Figure 3-1 Projected Water Volumes.....	3-2
Figure 4-1 Projected Year 2015 Revenues with Present Rates.....	4-2
Figure 4-2 Projected Year 2015 Operating Expenses .....	4-4
Figure 4-3 Projected Year 2015 Capital Financing .....	4-5
Figure 4-4 Operating Results with Present Rates .....	4-6
Figure 4-5 Projected Deficit and Fund Reserves with Existing Rates .....	4-7
Figure 6-1 Projected Year 2015 Revenues with Proposed Rates.....	6-2
Figure 6-2 Operating Results with Proposed Rates .....	6-3
Figure 6-3 Projected Deficit and Fund Reserves with Proposed Rates .....	6-4
Figure 6-4 Typical Customer Bills.....	6-5

### APPENDICES

Appendix A Water and Sewer Rate Analysis Spreadsheets .....	A-1
Appendix B Existing Water and Sewer Rate Ordinance .....	B-1



# Section 1

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## Introduction

### **General**

This report presents results of the 2014 Water and Sewer Rate Study for the Village of Oak Park (Village). The Rate Study includes evaluation of the current water and sewer rate schedule and a cost-of-service rate analysis to determine rate adjustments necessary to properly fund the expenses using fair and equitable water and sewer rates.

The Water and Sewer Fund accounts for revenues and expenses separately, as a self-supported “Enterprise Fund”. An enterprise fund assesses a charge for services provided. The revenue obtained from the water and sewer charges stays in the enterprise fund to pay water and sewer operation, maintenance, and capital financing costs and is kept separate from the Village's General Fund.

The Village receives water, treated at the Jardine Water Purification Plant, from the City of Chicago. The City of Chicago meters water volume through a connection to the Village distribution system which is the basis for charges to the Village. The Village subsequently distributes potable water to its customers through a network of water mains, four underground reservoirs, and pumping stations. The Village's Water and Sewer Division is responsible for operation and maintenance of the distribution and storage system. Chicago's charges for the purchase of water are factored into the rates that the Village charges its customers.

The Village's Water and Sewer Division is also responsible for operation and maintenance of the combined sewer system including lift stations. The costs to operate the conveyance system are included in the sewer rates charged based on water use.

The Village's sewer is discharged to the Metropolitan Water Reclamation district of Greater Chicago (MWRDGC) for treatment. The cost for this service is included in property tax bills and is not included as a part of the water and sewer billings.

The Water and Sewer enterprise fund finances the following major activities:

- Water Distribution System Operation and Maintenance.
- Water Distribution System Capital Investments (Projects).
- Sewer Collection System Operation and Maintenance.
- Sewer Collection System Capital Investments (Projects).

Current water and sewer operating and capital expenses are projected to exceed revenues with present rates. The reasons for this include:

- Continuing water rate increases programmed by the City of Chicago.
- Increasing capital expenses identified in the proposed Capital Improvement Plan that are required due to aging infrastructure.
- Increasing spending due to inflation and increased maintenance costs associated with the system age.
- Declining water usage due to ongoing water conservation efforts and the increasing cost of water.

The recommended water and sewer rates were developed based on a cost-of-service rate analysis which allocates Water and Sewer expenses (costs) for providing service to the appropriate billing categories. These costs are then divided by the billing quantities (volume and number of billings) to determine unit rates. The cost-of-service approach compares recommended rates to present rates being charged. Typically, this approach affects each of the present rates to a different degree and results in varying financial impacts on different customer groups.

This report includes the following:

- Section 1 presents a general overview of the rate study report.
- Section 2 presents an overview and analysis of major philosophical issues built into the current water and sewer rate structure and recommendations for changes to the rate structure.

Sections 3 through 7 include discussions corresponding to the rate development tables including:

- Section 3 presents billing quantities that provide a measurable amount of service for assessing water and sewer rates.
- Section 4 presents revenues based on present rates and past and projected operating and capital financing expenses. Projected operating results with present rates are also discussed.
- Section 5 presents the development of the unit cost-of-service rate analysis performed to determine water and sewer rates that are required to cover expenses.

- Section 6 presents the rate design. Rate design is actual proposed rates. Operating results with proposed rates are also presented. A comparison of typical bills, for present and proposed rates is also discussed.
- Section 7 presents rate-setting guidelines to help reduce negative reactions by customers.

## **Water and Sewer Rate Analysis Spreadsheets**

Two rate scenarios were initially evaluated. Scenario 1 evaluated water and sewer volume rates with a flat \$5.00 fixed customer charge and Scenario 2 evaluated rates with a flat \$10.00 fixed customer charge for Years 2015 through 2019. The fixed customer charge is assessed to all accounts on a monthly basis and serves as a minimum charge even when no water is used. The purpose of the customer charge is for recovering some “readiness to serve” capital investment expenses.

A third scenario evaluated water and sewer volume rates with an inclining fixed customer charge. An inclining customer charge means that the fixed charge increases with the size of the water meter. An inclining customer charge recognizes that readiness to serve capital investment expenses increase as anticipated water demand (meter size) increases.

Appendix A contains the water and sewer rate analysis spreadsheets prepared for the third scenario.

Text in this report follows the rate development tables closely and explains points of interest and/or assumptions as they occur. The rate analysis spreadsheets document water and sewer billing quantities, revenues and expenses, unit cost-of-service analysis, and rate design for past Years 2011 through 2013, estimated Year 2014, budget Year 2015, and projected Years 2016 through 2019. Oak Park operates on a calendar year for budgeting purposes.

## **Existing Water and Sewer Rate Schedule**

Appendix B contains the existing water and sewer rate ordinance. The basic components of the existing rate schedule are uniform water and sewer volume charges and a fixed minimum customer monthly charge.

## **Study Parameters**

Table 1-1 below presents parameters used in development of the Water and Sewer Rate Study.

The projected number of accounts and annual processed customer charges are actual quantities from Year 2013. These quantities are projected to remain the same (zero escalation in future) since the Village is not currently experiencing any significant growth. The billable volume quantities are projected to decline by five percent in Year 2015 and 1 percent, on an annual basis, in Years 2016 through 2019 due to ongoing water conservation efforts.

**Table 1-1 Study Parameters (Projected Year 2015)**

<b>Parameter</b>	<b>Quantity</b>	<b>Projected Escalation</b>
<b>Number of Accounts</b>		
Quarterly - Residential	12,082	0%
Monthly - Commercial	537	0%
<b>Billable Volume</b>	1,477,138,850 gallons	-5% (2015) -1% (2016-2019)
<b>Operating Expenses</b>	\$11,388,282	+3% (Personal Services) +5% (Fringe Benefits) 0% (Materials & Supplies and Contractual Services)

Source: Village of Oak Park

### **Acknowledgements**

Background information for this water and sewer rate study was obtained from Comprehensive Annual Financial Reports, Annual Consumption Reports, Water-Sewer CIP Summary and information obtained through conversations with John Wielebnicki, P.E., Public Works Director, Craig Lesner, Chief Financial Officer, and Darrell King, Utilities Operations Superintendent. A number of meetings and telephone conversations were held with Village of Oak Park personnel to discuss and review results of the water and sewer rate study.

The rate evaluation is based on information provided by Village of Oak Park personnel including operation and maintenance costs, financial instrument approaches and costs, bond principal and interest payments, and bond debt coverage requirements. All rate development evaluations are based on Stanley Consultants' opinion of probable project, operating, and financial conditions and costs, inflationary escalation, interest rates, debt levels, and cash flow analysis. Stanley Consultants' recommendations and/or advice presented in this report are made on basis of our experience and represent our judgment and opinions which are in accordance with standard engineering economic analyses. No advice is intended or given regarding issuance of municipal securities and financial instruments with respects to structure, timing, terms, limits, bond rating, or other similar matters concerning such products or issuances. Stanley Consultants is not registered with the Security and Exchange Commission (SEC) as a municipal advisor and does not provide services for which such registration is required.

# Philosophical Issues

### **General**

This section summarizes major philosophical issues which significantly influence the water and sewer rate study conducted by Stanley Consultants Inc. Fundamental philosophical issues built into the current water and sewer rate structure were evaluated for applicability to the current customer base. The purpose of this evaluation was to perform a cost-of-service rate analysis which appropriately charges customers for services they receive and generates projected funding to meet water and sewer needs.

### **Water and Sewer Rate Schedule**

Basic components of the existing water and sewer rate schedule include:

- Uniform water volume charge.
- Uniform sewer volume charge.
- Fixed minimum customer monthly charge.

Typical billing is on a quarterly basis for residential customers and on a monthly basis for commercial customers.

### **Uniform Water and Sewer Volume Charge**

The Village uses a uniform volume rate structure for both water and sewer charges. Charges are based on metered water usage. A uniform rate structure means that the cost per volume charge remains the same regardless of the volume of usage. This rate structure results in increased customer bills with increased usage.

### **Minimum Customer Monthly Charge**

The Village also uses a minimum customer monthly charge. The existing minimum customer charge is a fixed rate of \$2.00 per month. The rate represents “the privilege of connection to and the right to use water and shall be charged each consumer, regardless of the amount of water used per month”, according to the Water and Sewer Rate Ordinance. Currently, the charge is assessed only to accounts that have no water usage during the given month.

The purpose of a minimum customer charge is for recovering some “readiness to serve” capital investment expenses. The Village must remain ready to serve customers with water and sewer services at all times. This readiness to serve involves expenses whether or not services are used.

### **Fund Balance**

Significant capital improvements are anticipated over the next several years. While actual annual capital improvement expenses vary from year to year, somewhat uniform expenses are very desirable from a rate stability standpoint. To stabilize rates for fluctuating capital improvement expenditures, a healthy water and sewer fund balance is required. A positive fund balance contains unspent money for working capital when revenues are down.

The water and sewer fund balance was about \$118,000 at the end of Year 2013. The fund is projected to be about \$2.1 million at the end of Year 2014 and depleted in Year 2015 if rates remain the same because revenue collected will be significantly less than expenses with the current capital improvements plan. This report presents a five year plan to cover expenses and maintain a positive cash balance in the Fund.

### **Conclusions/Recommendations**

Major philosophical water and sewer rate issues were evaluated when conducting the rate study. These issues have varying financial impact on different customer groups. The guiding principle when considering philosophical issues is to determine the “fair and equitable” charge for services that each customer receives.

Based on the analysis conducted, the fundamental uniform water and sewer volume charge is typical for municipalities. Therefore, the uniform volume rate structure will continue to be used for the water and sewer customer base.

The existing minimum customer monthly charge recovers just a small portion of the “readiness to serve” expenses. A recommendation of this rate study is to assess the fixed customer charge to all accounts on a monthly basis. The charge also serves as a minimum charge even when no water is used. The customer charge recognizes some fixed costs such as meter reading, billing, accounting, and administration, which do not vary based on water usage, in addition to some of the capital investment costs. The customer charge will provide a stable source of revenue that is not tied to water usage which can fluctuate.

Based on discussions with Village staff, a portion of total expenditures were allocated to the fixed customer charge. Allocating fixed costs to the customer charge reduces the volume charge increase that is required. Proposed rates include an inclining customer charge. An inclining

customer charge means that the charge increases with the size of the water meter. An inclining customer charge recognizes that readiness to serve capital investment expenses increase as anticipated water demand (meter size) increases.

## **Other Recommendations**

Other recommendations have been identified for the purpose of providing fair and equitable rate charges. The recommendations are discussed below.

- **Increased Billings**

The Village may want to consider billing residential customers on a monthly or bi-monthly basis versus a quarterly basis. Most municipalities bill on a monthly basis using estimated readings when actual monthly meter readings are not available. More frequent billing will result in some additional billing expenses. However, billing monthly or bi-monthly will reduce the billed amount on each invoice and help customers' cash flow. Monthly or bi-monthly billing has also been found to reduce the amount of uncollectible billings.

- **Fund Reserve**

A healthy fund balance covers fluctuating cash flow and allows actual expenditures to exceed actual revenues during an individual year. The Village's goal is to maintain a minimum fund balance equivalent to 20 percent of operating costs.

The Village does not have an established water and sewer fund reserve. A fund reserve is recommended to provide a contingency for unexpected maintenance or replacement costs that may arise. The fund can also be allowed to grow with unspent moneys earmarked for future capital improvement projects.

# Billing Quantities

### General

Appendix A contains the Billing Quantities spreadsheets that were prepared for this study for the final proposed scenario. Billing quantities provide a measurable amount of service provided by the Water and Sewer Division to use in assessing rates. The basis for assessing existing and recommended charges for Oak Park includes:

- Metered water usage
- Number of monthly customer charges.

For the Village of Oak Park, metered water use is the basis for assessing the quantity of water and sewer conveyance services for all customers.

All residential customers are billed on a quarterly basis. Commercial customers are billed on a monthly basis.

### Number of Accounts

Table A1 in Appendix A presents the total number of water and sewer accounts. The number of accounts is broken down into monthly and quarterly categories. These quantities are used to determine the number of monthly customer charges.

The number of bills was steady for each category in the past three years and is projected to remain the same in the future since the Village is not currently experiencing any significant growth.



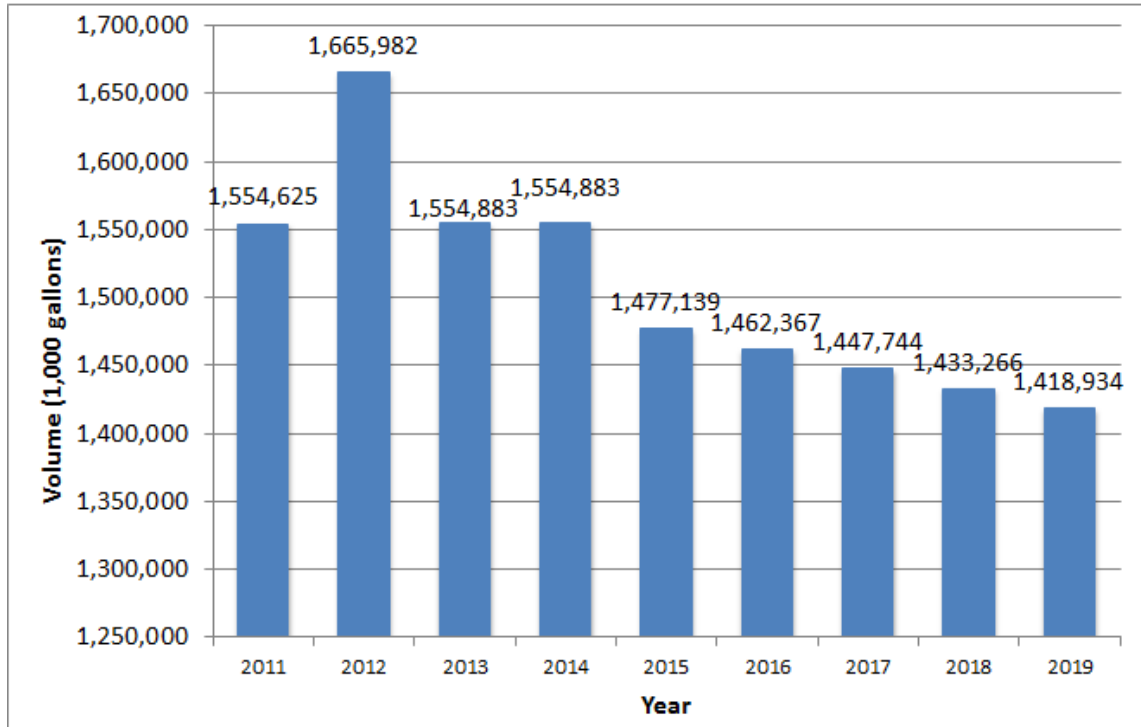
## Number of Monthly Customer Charge Billings

Table A2 in Appendix A presents the number of customer charges to be assessed by the Village. The number of customers billed is broken down into residential and commercial categories. These numbers equal the number of accounts in Table 1 multiplied by 12 months. The number is used to assess the customer charge.

## Billable Volume

Table A3 in Appendix A presents the total volume of water and sewer billed, in units of 1,000 gallons per year. This billing quantity is used to assess the uniform volume water and sewer charges.

Figure 3-1 presents the past and projected volume of billed water and sewer. The billable volume quantities are projected to decline by 5 percent in Year 2015 and 1 percent in Years 2016 through 2019 on an annual basis due to ongoing water conservation efforts. This decline in volume will result in reduced revenue if rates are not adjusted.



**Projected Water Volumes**  
**Figure 3-1**

## Billable Volume

Table A4 in Appendix A presents the total number of billings by meter size. Identifying the number of customer billings by meter size is required to calculate projected revenue from the customer charge. An equivalent factor is assigned to each of the following ranges of meter sizes:

<u>Meter Size</u>	<u>Equivalent Factor</u>
≤ 1”	1.0
1 ½” to 3”	2.0
≥ 4”	3.0

Table A5 in Appendix A presents the equivalent number of customer billings by meter size based on the equivalent factors. The purpose of the inclining customer charge is to recognize that minimum billing charges increase with meter size.

# Revenues and Expenses

### **General**

Appendix A contains the Revenue and Expense spreadsheets that were prepared for this rate study for the final proposed scenario.

### **Present Rates**

Table B1 in Appendix A presents the present water and sewer rates. Future water and sewer revenues are projected by multiplying existing rates by billing quantities previously discussed.

### **Revenues from Present Rates**

Table B2 in Appendix A presents revenues with existing volume billing rates. Most of the revenues come from direct invoiced charges for services provided, although some additional minor revenue sources also exist.

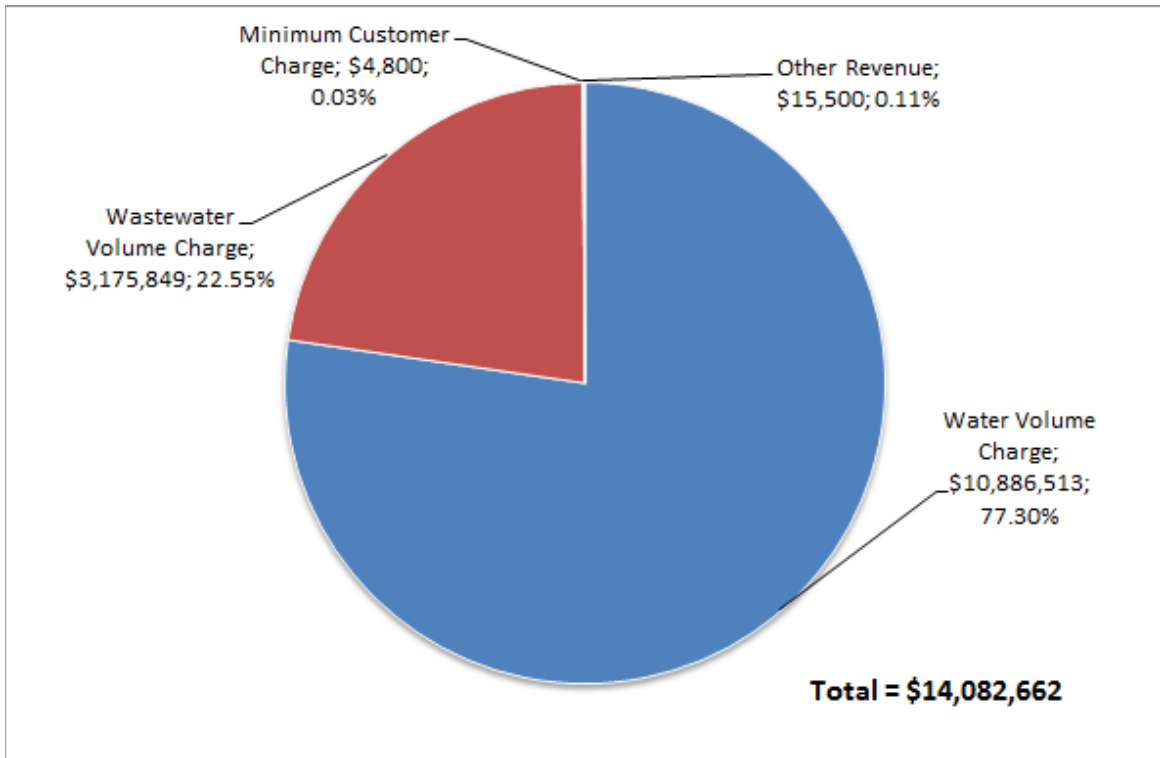
Figure 4-1 illustrates projected Year 2015 revenue with present rates.

Volume charge represents revenues generated from water and sewer volume billings to monthly and quarterly accounts. Projected volume charge revenues are calculated by multiplying projected billing quantities previously identified by present rates presented in Table B1. A decrease in volume charge revenue is projected if rates remain the same because the billable volume is projected to decline.

Minimum customer charge represents revenues from the fixed monthly charge that is currently assessed only to accounts that have no water usage during the given month. This charge is assessed to an average of 200 accounts each month.

Sources of other revenue include Miscellaneous Revenue, Scrap Revenue, Recovered Damages, Meter Charges, and Penalty Charges. Meter Charges is revenue received from selling new meters

to customers. Penalty Charges is revenue received for late payments. The Meter and Penalty charges are not considered stable sources of income and, therefore, not included in total projected revenues. Other revenues are projected to remain the same as budgeted Year 2014 values.



**Projected Year 2015 Revenues with Present Rates**  
**Figure 4-1**

### Operating Expenses

Table B3 in Appendix A presents water and sewer operating expenses.

Figure 4-2 illustrates projected 2015 operating expenses. Operating expenses are those operation and maintenance (O&M) expenses that occur while providing water and sewer service. Operating expenses are summarized into three major accounts, Salaries and Benefits, Contractual Services, and Transfers.

The Salaries and Benefits account includes the following categories to track the type of expenses.

- **Personnel Services.** This category covers salaries for Public Works staff, classified by Water and Sewer, and a portion of the Finance Department staff. An annual escalation of 3 percent increase is used for projecting salaries in future years.
- **Fringe Benefits.** This category covers fringe benefits for Public Works staff, classified by Water and Sewer, and a portion of the Finance Department staff. An annual escalation of 5 percent increase is used for projecting benefits in future years.
- **Materials and Supplies.** This category covers materials and supplies for Public Works, classified by Water and Sewer, and a portion of the Finance Department. This expense

will decrease in Year 2015 for Water and Sewer because paving associated with utility work will be included in the capital budget in future years. This expense is projected to remain about the same in future years.

Contractual Services include separate categories of expenses for Water, Sewer and Finance.

- Water. This category is sub-divided into the following sub-categories to track the type of expenses:
  - General Contractuals
  - External Support
  - Property Repair
  - Utilities
  - Other
  - Payment for Chicago Water

All expenses, except Chicago Water Payment, are projected to remain the same as Year 2015 in the future.

Year 2015 through 2019 payment for Chicago Water is based on projected metered volumes recorded by Chicago (Table A3) and projected Chicago water rates. The Chicago water volumes differ from the Village's billable volume based on individual metered water usage. The Chicago recorded volume is projected to decline the same as the Village's billable volume: 5 percent in Year 2015 and 1 percent in Years 2016 through 2019 on an annual basis due to ongoing water conservation efforts. Chicago rates are projected to increase 5 percent per year in Years 2016 through 2019.

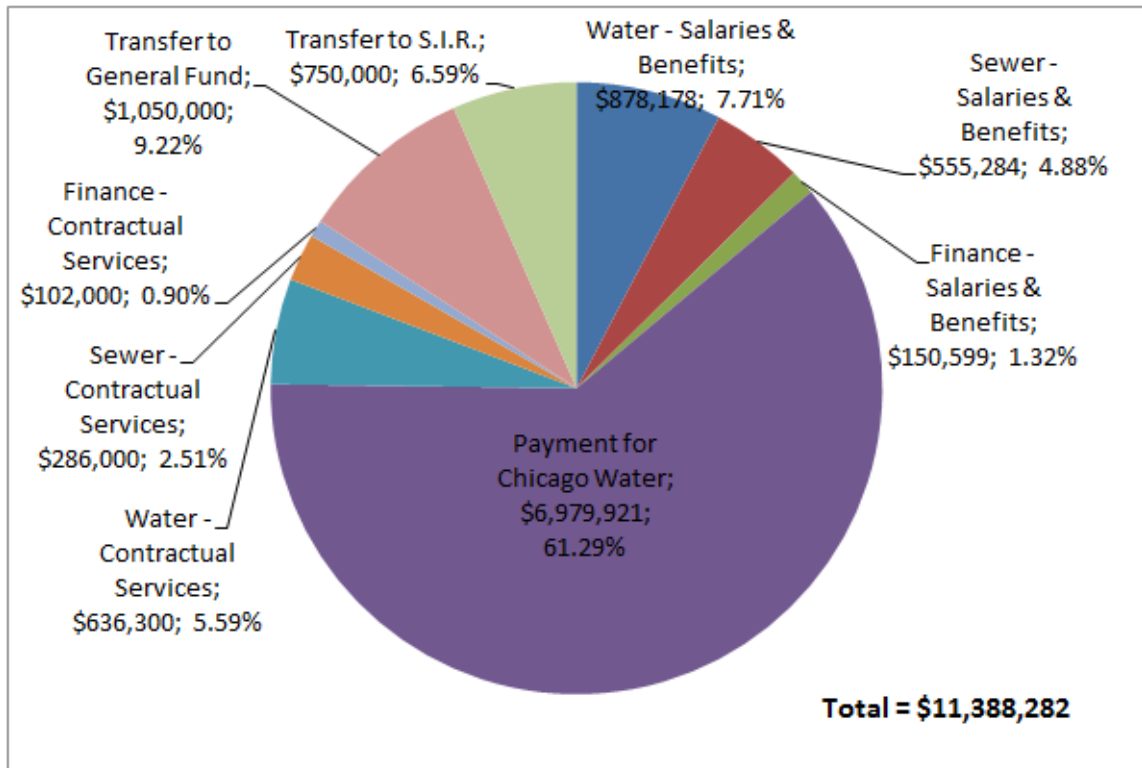
- Sewer and Finance. These categories are sub-divided into the following sub-categories to track the type of expenses:
  - General Contractuals
  - External Support

These expenses are projected to remain the same as Year 2015 in the future.

The Transfers account includes the following categories to track the type of expenses.

- Transfer to General Fund
- Transfer to Self-Insured Retention (S.I.R.)

These expenses cover insurance and administrative costs.



**Projected Year 2015 Operating Expenses  
Figure 4-2**

**Capital Financing**

Table B4 in Appendix A presents water and sewer capital financing expenses. Capital financing includes those expenses that are required for significant repairs and improvements to the water and sewer facilities.

Figure 4-3 illustrates Year 2015 projected capital financing expenses. Capital financing expense accounts consist of Debt Service and Capital Outlay from Revenues.

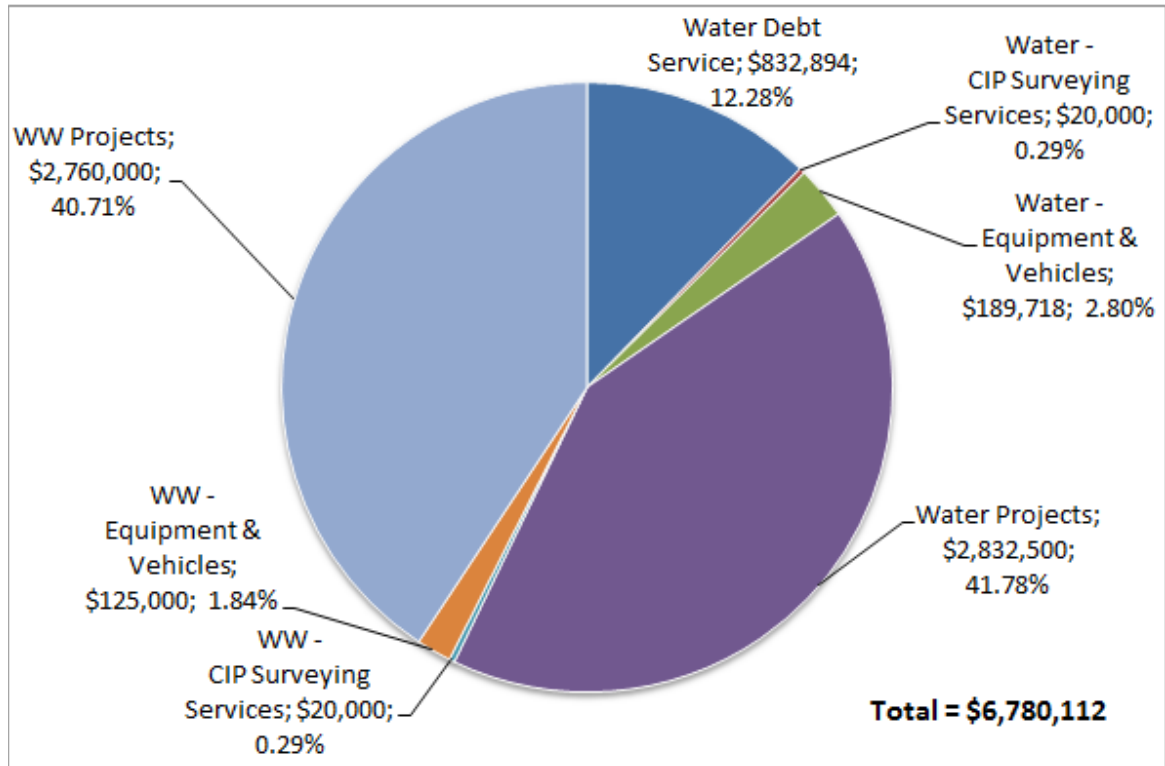
Debt Services are agreements into which the Village enters to finance large capital improvements. The Village has the following three outstanding bonds for previously completed water projects.

- Series 2010C with payoff in Year 2023
- Series 2011B with payoff in Year 2025
- Series 2012A with payoff in Year 2026

Total principal and interest payment for these three outstanding bonds ranges from about \$833,000 in Year 2015 to about \$912,200 in Year 2019.

The Village’s Capital Improvement Plan (CIP) identifies \$14.3 million of water system projects and \$13.7 million of sewer system projects to be completed in Years 2015 through 2019. The CIP includes \$1.5 million for both annual water main and sewer main replacements in Years 2016

through 2019. All CIP projects are projected to be funded from annual water and sewer charges for services.



**Projected Year 2015 Capital Financing**  
**Figure 4-3**

### Projected Operating Results with Present Rates

Table B5 in Appendix A presents operating results with present water and sewer rates. This table summarizes billing quantities, revenues, operating expenses, and capital financing previously discussed.

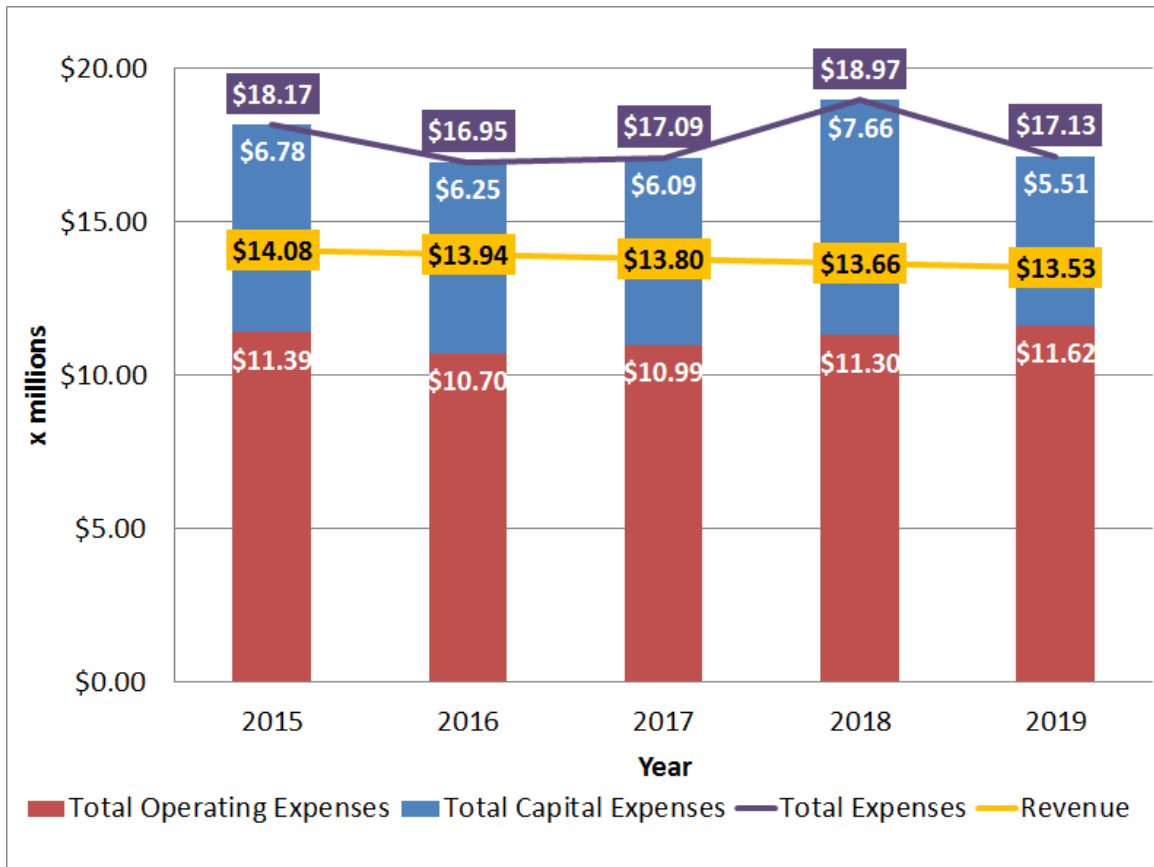
Figure 4-4 illustrates projected expenses and revenues with present rates. Revenue is projected to decrease from \$14.1 million in Year 2015 to \$13.5 million in Year 2019 if no adjustments are made to present rates due to the projected decline in water usage.

Total operating expenses are projected to increase from \$11.4 million in Year 2015 to \$11.6 million in Year 2019 due to modest inflation.

Capital expenses vary with programmed CIP project costs. Total capital expenses, including debt service and projects funded from annual water and sewer charges, are projected to fluctuate at \$6.8 million in Year 2015, \$6.3 million in Year 2016, \$6.1 million in Year 2017, \$7.7 million in Year 2018, and \$5.5 million in Year 2019.

Total projected expenses also vary with programmed CIP costs, from a low of \$16.9 million in Year 2016 to a high of \$19.0 million in Year 2018.

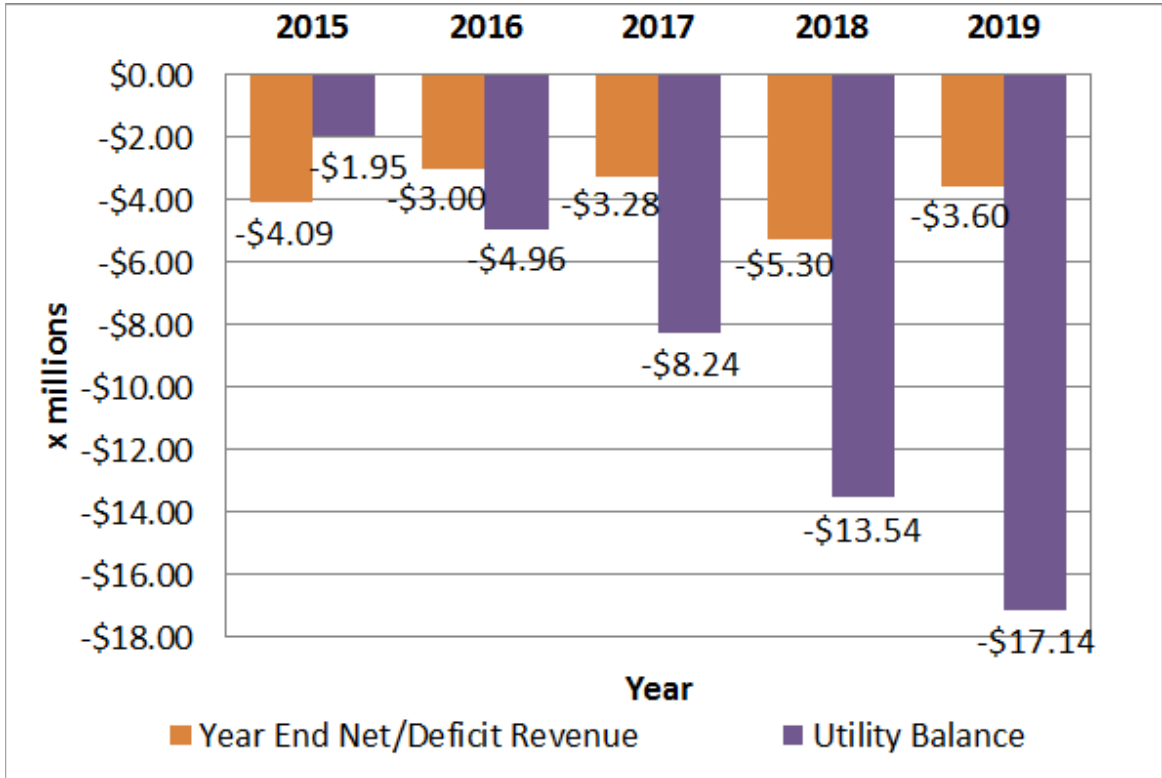
Projected revenue is adequate to cover operating expenses but falls short of covering total expenses if no adjustment is made to present rates.



**Operating Results with Present Rates**  
**Figure 4-4**



Figure 4-5 illustrates projected deficits and cumulative shortfall of available fund balance in Years 2015 through 2019 with present rates and projected expenses. The water and sewer fund is projected to face a cash deficit that varies with capital expenses in Years 2015 through 2019. The water and sewer fund balance is projected to be depleted in Year 2015. The cumulative shortfall grows to an estimated \$17.1 million in Year 2019.



**Projected Deficit and Fund Balance Shortfall with Existing Rates**  
**Figure 4-5**

# Unit Cost-of-Service

### **General**

Appendix A contains the Unit Cost-of-Service spreadsheets that were prepared for this study.

### **Cost-of-Service Analysis**

The cost-of-service rate analysis approach allocates expenses, including variable and fixed costs, incurred in meeting various obligations of providing water and sewer service. The cost-of-service approach evaluates each of the current rates being charged. Typically, this approach affects each of the current rates to a different degree and results in varying financial impacts to different customer groups. The cost-of-service is performed for both the User Charges (customer charge and volume billing rate) and Capital Financing.

### **Operating Expense and Capital Financing Allocation**

Tables C1-2015, C1-2016, C1-2017, C1-2018, and C1-2019 in Appendix A present the User Charges and Capital Financing allocations and unit cost-of-service rates.

The User Charge rate generates revenues for operating and maintaining components of the water and sewer systems.

Table 5-1 illustrates the allocation of water, sewer, and finance operating expenses to the water volume charge, sewer volume charge and customer charge unit rates.

**Table 5-1 Allocation of Operating Expenses**

Expenses	Allocation to Unit Rates		
	Water Volume Charge	Sewer Volume Charge	Customer Charge
Water			
Personnel Services	60%		40%
Fringe Benefits	60%		40%
Sewer			
Personnel Services		60%	40%
Fringe Benefits		60%	40%
Water			
Materials & Supplies	100%		
Contractual Services	100%		
Payment for Chicago Water	100%		
Sewer			
Materials & Supplies		100%	
Contractual Services		100%	
Finance			
Personnel Services			100%
Fringe Benefits			100%
Materials & Supplies			100%
Contractual Services			100%
Transfers	64%	36%	

Source: Stanley Consultants, Inc.

The Capital Financing rate generates revenues for significant repairs and improvements to water and sewer facilities. The capital financing charge includes repayment of principal and interest for debt service and any capital improvements funded out of the revenue stream.

The majority of Capital Financing expenses are allocated to the respective water and sewer volume charge unit rate. Additional water and sewer capital expenses are allocated to the fixed customer charge to result in a charge of \$5.00 per equivalent meter per month.

Table 5-2 illustrates a summary example of the development of cost-of-service unit rates. Expenses allocated to User Charge and Capital Financing are Year 2015 costs.

Annual User Charge (operating expense) and Capital Financing Expenditures are allocated to both annual Volume and annual Number of Monthly Customer Charges to determine the cost to each customer for providing the particular service. Proposed cost-of-service unit rates are developed by dividing allocated volume and customer charge expenses by the appropriate billing quantities from Tables A2 and A3.

The User Charge and the Capital Financing unit rates are combined into total unit rates.

**Table 5-2 Unit Cost-of-Service Allocations and Rate Development –Year 2015**

	<b>Volume –Water</b>	<b>Volume - Sewer</b>	<b>Customer Charge</b>
<b>User Charge</b>			
User Charge Allocated Expenses	\$9,351,507	\$1,284,210	\$737,065
Billing Quantity	1,477,139 (1,000 gallons/Yr)	1,477,139 (1,000 gallons/Yr)	164,700 (Equiv Meters)
<b>User Charge Unit Rates</b>	\$6.33 Per 1,000 gallons	\$0.87 Per 1,000 gallons	\$4.48 Per Account Per Month
<b>Capital Financing</b>			
Capital Financing Allocated Expenses	\$3,819,793	\$2,873,883	\$86,435
Billing Quantity	1,477,139 (1,000 gallons/Yr)	1,477,139 (1,000 gallons/Yr)	164,700 (Equiv Meters)
<b>Capital Financing Unit Rates</b>	\$2.59 Per 1,000 gallons	\$1.95 Per 1,000 gallons	\$0.52 Per Account Per Month
<b>Total Unit Rates</b>	\$8.92 Per 1,000 gallons	\$2.81 Per 1,000 gallons	\$5.00 Per Equiv Meter Per Month

Source: Stanley Consultants, Inc.

### **Cost-of-Service Unit Rates**

Table C2 in Appendix A presents a summary of the unit cost-of-service rates developed in the C1 Tables to cover Years 2015 through 2019 allocated expenses.

# Rate Design

### **General**

Appendix A contains the Rate Design spreadsheets that were prepared for this study. The tables project impacts of implementing proposed water and sewer rates in Years 2015 through 2019.

### **Proposed Rates**

Table D1 in Appendix A presents proposed water and sewer rates.

The proposed customer charge remains fixed at \$5.00 in Years 2015 through 2019 for 1” meters or less, \$10.00 for 1 ½” to 3” meters, and \$15.00 for 4” meters or greater. Significant increases are proposed for water and sewer volume rates in 2015 and 2016 primarily due to the major programmed capital projects and increase in the cost of Chicago water.

Proposed water volume rates include a 13.5 percent increase on January 1, 2015, 7.0 percent increase on January 1, 2016, and uniform annual volume rate increase of 2 percent on January 1 of 2017 through 2019.

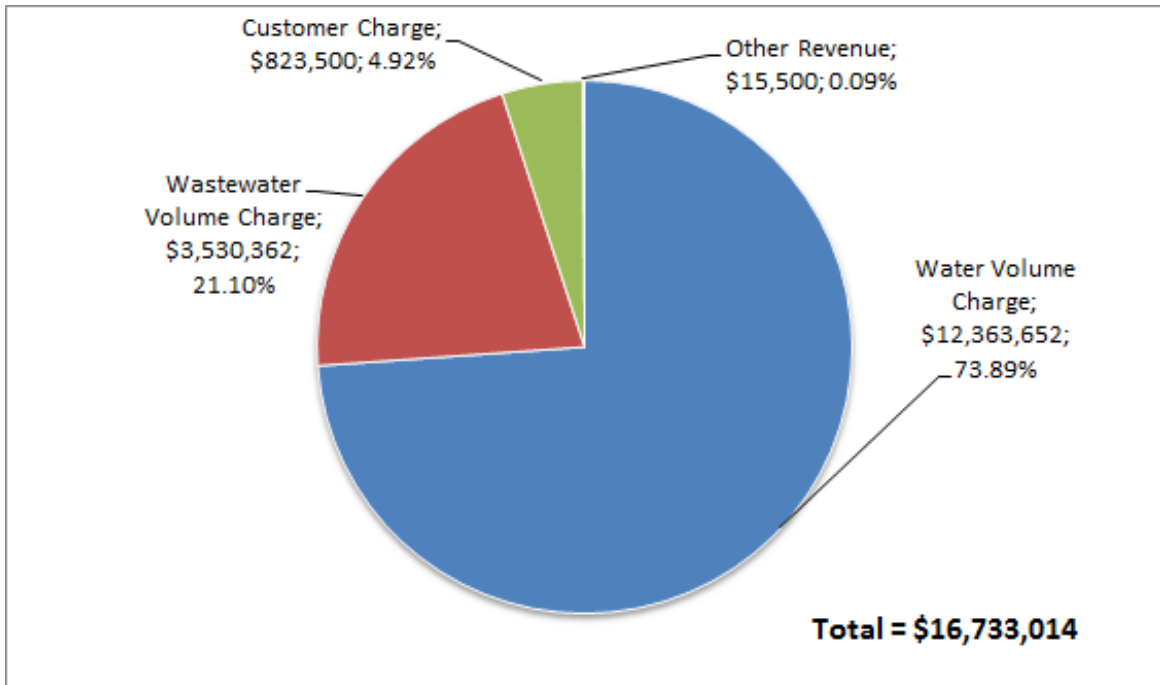
Proposed sewer volume rates include an 11 percent increase on January 1, 2015, 6.5 percent increase on January 1, 2016, and uniform annual volume rate increase of 2 percent on January 1 of 2017 through 2019.

These rates are multiplied by billing quantities identified in Table A2 and A3 to project water and sewer charge revenues from proposed rates.

## Revenues from Proposed Rates

Table D2 in Appendix A presents actual, budget, and projected water and sewer volume and customer charges. Projected water and sewer charges are calculated by multiplying previously identified quantities by the proposed rates presented in Table D1. Projected revenue is based on January 1 implementation of rate adjustments in each year.

Figure 6-1 illustrates projected Year 2015 revenue with proposed rates.



**Projected Year 2015 Revenues with Proposed Rates**  
**Figure 6-1**

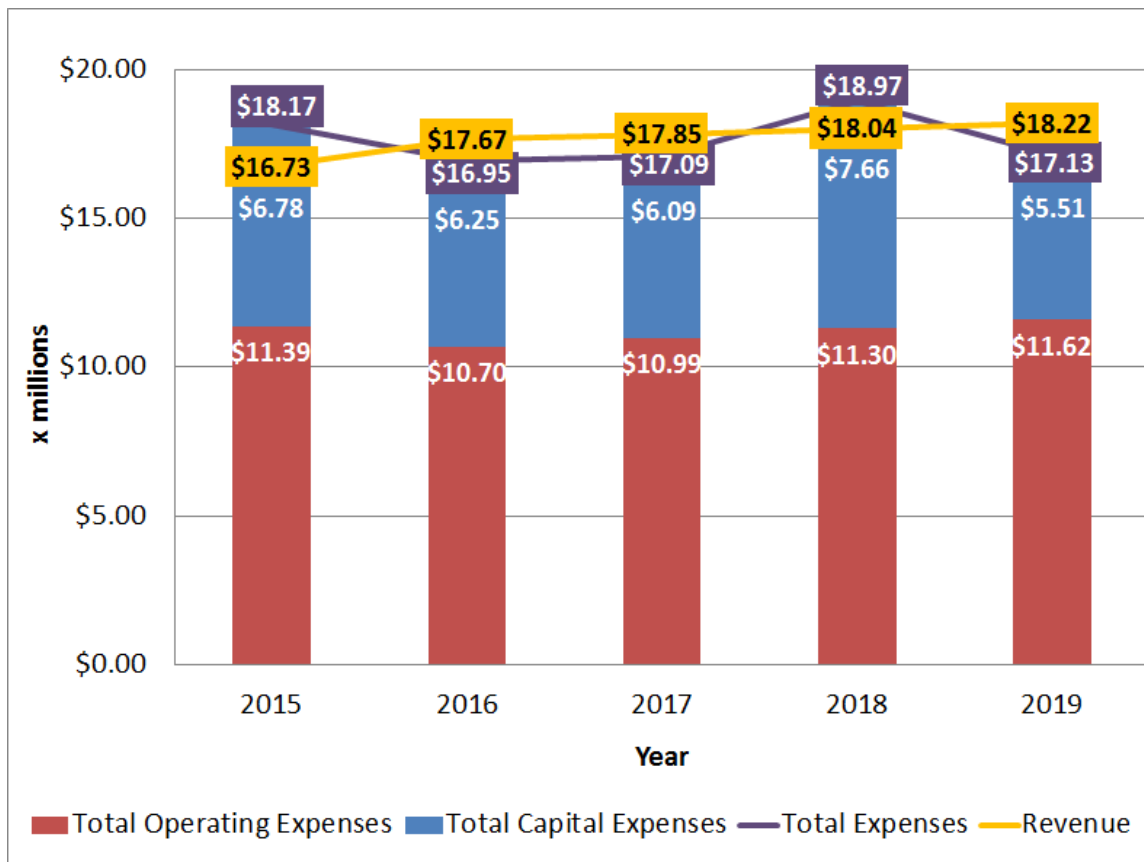
## Operating Results with Proposed Rates

Table D3 in Appendix A presents operating results with proposed rates. This table summarizes billing quantities, revenues, operating expenses, and capital financing previously discussed.

Figure 6-2 illustrates projected expenses and revenues with proposed rates. The figure illustrates revenue increasing as rates increase. The purpose of using gradual rate increases in Years 2015 through 2019 is to evenly distribute the rate increase impact and to build the fund balance. Revenue is projected to increase from \$16.7 million in Year 2015 to \$18.2 million in Year 2019.

The figure also illustrates projected revenue to be less than projected expenses in Years 2015 and 2018 which will require funding of some capital projects from the fund account balance. The objective is to reduce the impact of the rate increase in the first two years and to implement a uniform increase in Years 2017 through 2019.

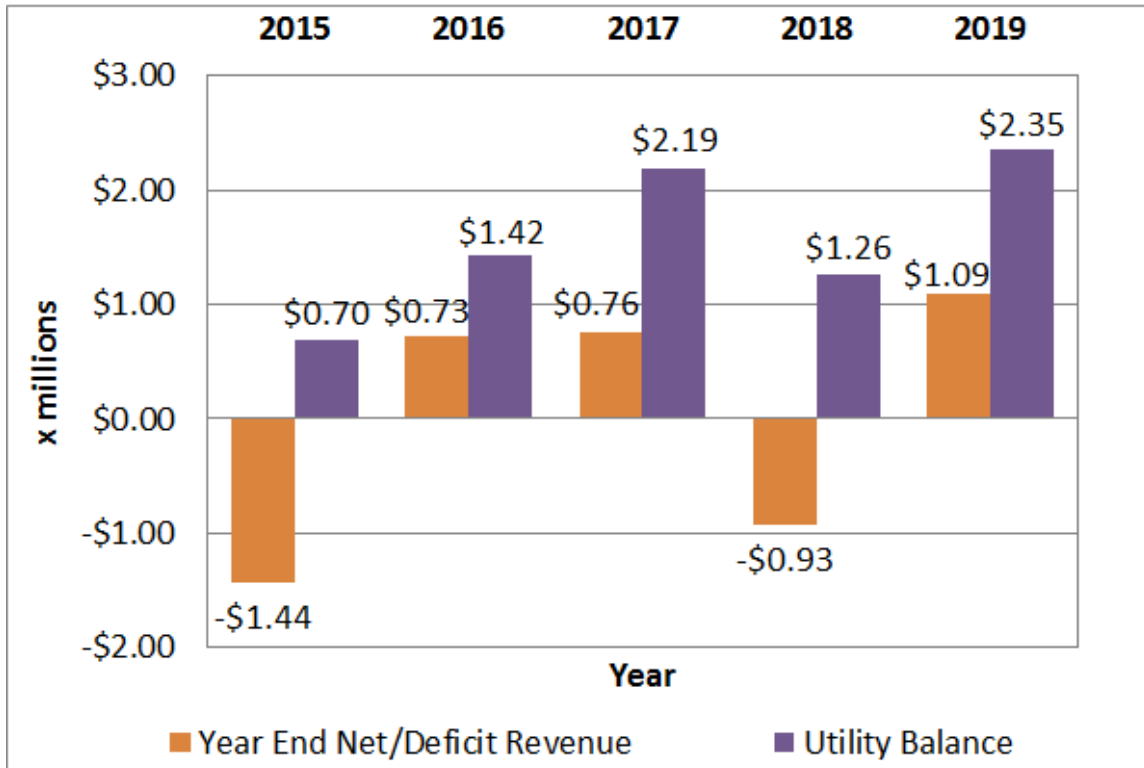
An alternative is to postpone some capital projects programmed for Year 2015 and implement uniform or slightly increasing capital expenditures in Years 2015 through 2019. This approach would further reduce the impact of rate increases in the first two years and allow for evenly increasing rates over the five years.



Operating Results with Proposed Rates  
Figure 6-2

Figure 6-3 illustrates projected net/deficit revenue and cumulative fund balance in Years 2015 through 2019 with proposed rates. The water and sewer fund is projected to face a cash deficit in Years 2015 and Year 2018 due to fluctuating capital expenses.

The water and sewer fund is projected to end each year with a positive cash balance. The water and sewer fund balance is projected to increase from \$0.70 million in Year 2015 to \$2.35 million in Year 2019. The proposed rates are projected to meet the Village's fund balance goal of 20 percent of operating expenses in Year 2019, which is about \$2.26 million.



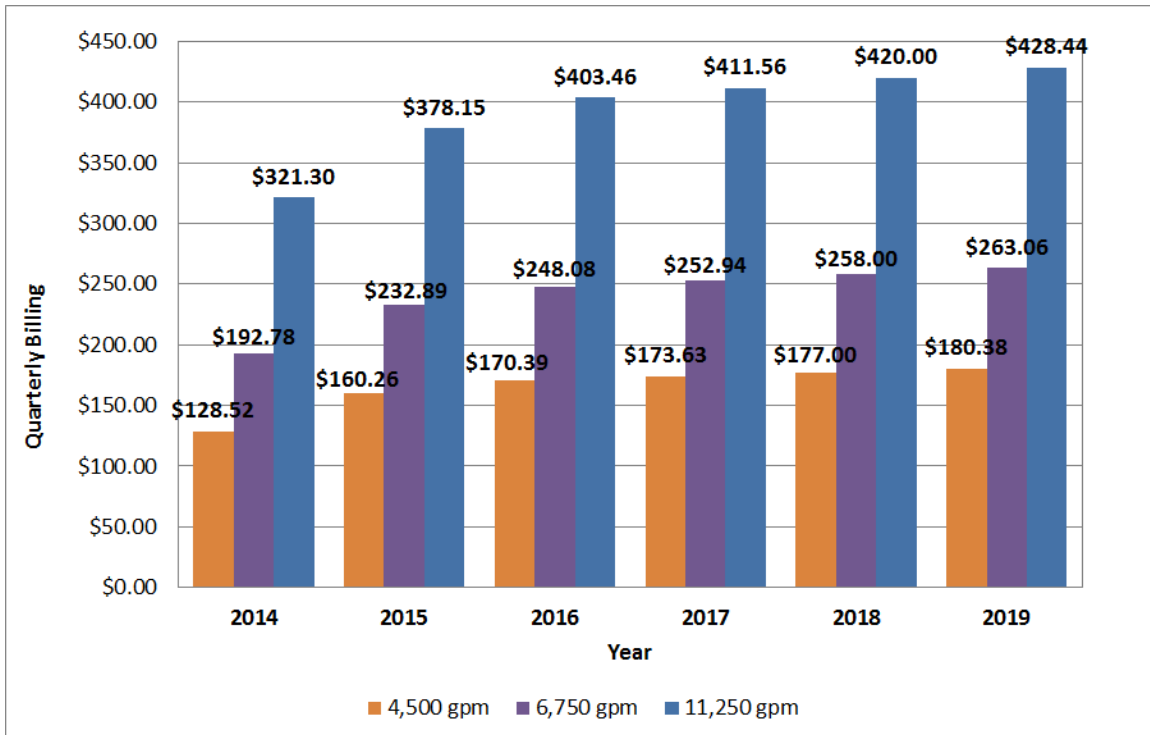
**Projected Deficit and Fund Balance with Proposed Rates**  
**Figure 6-3**



## Typical Customer Bills

Table D4 in Appendix A presents a comparison of typical customer water and sewer billings for present and proposed rates for Years 2015 through 2019 with proposed rates.

Figure 6-4 illustrates typical quarterly billings for Years 2014 through 2019 with proposed rates. The figure represents quarterly billings for customers using 4,500 gallons per month (gpm), 6,750 gpm and 11,250 gpm.



**Typical Customer Bills**  
**Figure 6-4**

# Implementing Rate Adjustments

## General

Implementation of water and sewer rate adjustments is often overlooked when analyzing rates. Some customer resistance to water and sewer rate increases should be anticipated.

The Village must inform the public of the need for rate increases and provide explanations regarding changes and improvements that have occurred over time and why. Special emphasis should be placed on capital projects to be implemented and how those projects are funded through water and sewer rates.

## Implementing Rate Adjustments

To reduce negative reactions to rate changes, the following rate-setting guidelines may be useful:

- A significant number of capital projects require that a large rate adjustment be made. Implementation of annual rate increases are recommended in the future to allow rates to increase as costs increase. Smaller, more frequent rate increases are easier for customers to absorb than periodic large increases. A gradual increase will help to lessen "rate shock" over time since customers will expect minor annual rate increases.
- Implement rate increases during non-peak seasons (winter, early spring or late fall). Increasing rates during peak usage months will add to the impact of higher water and sewer bills.
- Program a series of rate increases to reduce customer objections.
- Tie capital improvement planning and expenditures to rate requirements. During public hearings, make sure the public understands that the Village is incurring additional costs to maintain or improve the aging water and sewer system.

Respectfully submitted,

Stanley Consultants, Inc.

Prepared by *Debra K. Mathias*  
Debra K. Mathias, P.E.

Reviewed and  
Approved by *Lawrence E. Thomas*  
Lawrence E. Thomas, P.E.

I hereby certify that this engineering document was prepared by me or under my direct personal supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Illinois.



*Lawrence E. Thomas*  
Lawrence E. Thomas 12/22/2014

My license renewal date is November 30, 2015.

Pages or sheets covered by this seal: Entire Report

## Appendix A

# Water and Sewer Rate Analysis Spreadsheets

Table A1  
Billing Quantities - Number of Accounts  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Fiscal Year Ending December 31							Projected 2017	Projected 2018	Projected 2019	Percent Escalation
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016					
1.1	Number of Accounts										
1.1.1	Quarterly - Residential	12,077	12,077	12,082	12,082	12,082	12,082	12,082	12,082	12,082	0%
1.1.2	Monthly - Commercial	535	537	537	537	537	537	537	537	537	0%
1.2	Total Billings	12,612	12,614	12,619	12,619	12,619	12,619	12,619	12,619	12,619	

- Notes (1)  
(2)  
(3)  
(4)  
(5)

Table A2  
 Billing Quantities - Billings  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description	Fiscal Year Ending December 31								
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
2.1 Customer Charge Billings (Billings/Year) <sup>(1)</sup>									
2.1.1 Residential	144,924	144,924	144,984	144,984	144,984	144,984	144,984	144,984	144,984
2.1.2 Commercial	6,420	6,444	6,444	6,444	6,444	6,444	6,444	6,444	6,444
2.2 Total Billings	151,344	151,368	151,428	151,428	151,428	151,428	151,428	151,428	151,428

Notes (1) Number of Accounts x 12 months.  
 (2)  
 (3)  
 (4)  
 (5)

Table A3  
Billing Quantities - Volume (1,000 Gallons)  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Fiscal Year Ending December 31										Percent Escalation	
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019			
3.1 Billable Volume (1,000 gallons/Year)												
3.1.1 Quarterly - Residential	1,019,418	1,120,274	1,027,853	1,027,853	976,460	966,696	957,029	947,459	937,984	-5%	2015	
3.1.2 Monthly - Commercial	535,207	545,708	527,030	527,030	500,679	495,672	490,715	485,808	480,950	-1%	2016-2019	
3.2 Total Billings	1,554,625	1,665,982	1,554,883	1,554,883	1,477,139	1,462,367	1,447,744	1,433,266	1,418,934			
3.3 Chicago Billings											Volume:	
3.3.1 Chicago Recorded Volume <sup>(1)</sup>	1,686,176	1,917,047	1,727,750	1,727,750	1,641,363	1,559,294	1,543,701	1,528,264	1,512,982	-5%	2015	
3.3.2 Chicago Rate	\$2.01	\$2.51	\$2.88	\$3.31	\$3.81	\$4.00	\$4.20	\$4.41	\$4.63	-1%	2016-2019	
											Chicago Rate:	
											5%	2016-2019

Notes (1) 2013 Chicago billings volume was adjusted to correct for a bad September reading.  
(2)  
(3)  
(4)  
(5)

Table A4  
 Billing Quantities - Meters  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description	Actual 2011	Actual 2012	Actual 2013	Fiscal Year Ending December 31					Equivalent Factor	
				Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018		Projected 2019
4.1 Meter Size										
4.1.1 5/8"					9,017	9,017	9,017	9,017	9,017	1.0
4.1.2 3/4"					1,012	1,012	1,012	1,012	1,012	1.0
4.1.3 1"					1,467	1,467	1,467	1,467	1,467	1.0
4.1.4 1 1/2"					590	590	590	590	590	2.0
4.1.5 2"					470	470	470	470	470	2.0
4.1.6 3"					23	23	23	23	23	2.0
4.1.7 4"					19	19	19	19	19	3.0
4.1.8 6"					2	2	2	2	2	3.0
4.2 Total Meters					12,600	12,600	12,600	12,600	12,600	

- Notes (1)  
 (2)  
 (3)  
 (4)  
 (5)



Table A5  
Billing Quantities - Equivalent Meters  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Actual 2011	Actual 2012	Actual 2013	Fiscal Year Ending December 31					
				Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
5.1	Equivalent Meters								
5.1.1	5/8"				9,017	9,017	9,017	9,017	9,017
5.1.2	3/4"				1,012	1,012	1,012	1,012	1,012
5.1.3	1"				1,467	1,467	1,467	1,467	1,467
5.1.4	1 1/2"				1,180	1,180	1,180	1,180	1,180
5.1.5	2"				940	940	940	940	940
5.1.6	3"				46	46	46	46	46
5.1.7	4"				57	57	57	57	57
5.1.8	6"				6	6	6	6	6
					13,725	13,725	13,725	13,725	13,725
5.2	Total Meters								

- Notes (1) Number of meters x equivalent factor.  
(2)  
(3)  
(4)  
(5)

Table B1  
 Present Rates  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description			
1.1	Unit Rates		
1.1.1	Volume Charge		January 1, 2014
1.1.1.1	Water Charge	Per 1,000 gallons	\$7.37
1.1.1.2	Sewer Charge <sup>(1)</sup>	Per 1,000 gallons	\$2.15
			January 1, 1999
1.1.2	Minimum Customer Monthly Charge <sup>(2)</sup>		\$2.00

- Notes
- (1) Maximum sewer charge is \$81.00 in any quarter for any single-family user.
  - (2) Currently assessed as a minimum charge only to customers who do not use any water during the month charged.
  - (3)
  - (4)
  - (5)

Table B2  
Revenues From Present Rates  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Fiscal Year Ending December 31									Percent Escalation	
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019		
2.1	Charges for Services										
2.1.1	Water Volume Charge	\$7,702,649	\$9,540,493	\$9,776,980		\$10,886,513	\$10,777,648	\$10,669,872	\$10,563,173	\$10,457,541	
2.1.2	Sewer Volume Charge	\$2,990,749	\$3,258,109	\$3,148,460		\$3,175,849	\$3,144,090	\$3,112,649	\$3,081,523	\$3,050,707	
2.1.3	Water and Sewer Sales				\$14,271,645						
2.1.4	Minimum Customer Charge <sup>(1)</sup>					\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	
2.1.5	Total Charges Revenue	\$10,693,397	\$12,798,602	\$12,925,441	\$14,271,645	\$14,067,162	\$13,926,538	\$13,787,321	\$13,649,496	\$13,513,049	
2.2	Other Revenues										
2.2.1	Miscellaneous Revenue	\$1,072	\$4,023	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	0%
2.2.2	Scrap Revenue	\$19,545	\$6,244	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	0%
2.2.3	Recovered Damages	\$5,686	\$8,559	\$7,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	0%
2.2.4	Meter Charges <sup>(2)</sup>	\$33,190	\$49,026	\$60,000	\$47,000						0%
2.2.5	Penalty Charges <sup>(2)</sup>	\$90,536	\$137,247	\$110,000	\$100,000						0%
2.2.6	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
2.2.7	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
2.2.8	Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%
2.2.9	Subtotal Other Revenues	\$150,029	\$205,099	\$187,500	\$162,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	
2.3	Total Revenues	\$10,843,426	\$13,003,701	\$13,112,941	\$14,434,145	\$14,082,662	\$13,942,038	\$13,802,821	\$13,664,996	\$13,528,549	

- Notes (1) Based on average 200 billings per month charged minimum customer charge only.  
(2) Not reliable source of revenue so not included in projected revenue for 2015-2019.  
(3)  
(4)  
(5)

Table B3  
 Operating Expenses  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description	Fiscal Year Ending December 31									Percent Escalation
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	
3.1 Salaries and Benefits - Water										
3.1.1 Personnel Services	\$424,681	\$450,145	\$434,723	\$403,473	\$469,259	\$483,337	\$497,837	\$512,772	\$528,155	3%
3.1.2 Fringe Benefits	\$181,951	\$213,210	\$216,248	\$203,122	\$243,171	\$255,330	\$268,096	\$281,501	\$295,576	5%
3.1.3 Materials & Supplies	\$337,481	\$857,647	\$259,070	\$273,025	\$165,748	\$166,000	\$166,000	\$166,000	\$166,000	
3.1.4 Subtotal Salaries and Benefits	\$944,113	\$1,521,002	\$910,041	\$879,620	\$878,178	\$904,666	\$931,933	\$960,273	\$989,731	
3.2 Salaries and Benefits - Sewer										
3.2.1 Personnel Services	\$262,454	\$390,467	\$306,870	\$309,920	\$322,316	\$331,986	\$341,945	\$352,203	\$362,770	3%
3.2.2 Fringe Benefits	\$127,148	\$172,132	\$140,788	\$158,476	\$176,418	\$185,239	\$194,500	\$204,225	\$214,437	5%
3.2.3 Materials & Supplies	\$178,986	\$91,038	\$493,391	\$284,104	\$56,550	\$57,000	\$57,000	\$57,000	\$57,000	
3.2.4 Subtotal Salaries and Benefits	\$568,588	\$653,637	\$941,050	\$752,500	\$555,284	\$574,224	\$593,446	\$613,429	\$634,206	
3.3 Salaries and Benefits - Finance										
3.3.1 Personnel Services	\$99,950	\$92,578	\$91,385	\$91,485	\$93,349	\$96,149	\$99,034	\$102,005	\$105,065	3%
3.3.2 Fringe Benefits	\$28,794	\$28,427	\$30,099	\$30,746	\$30,210	\$31,721	\$33,307	\$34,972	\$36,721	5%
3.3.3 Materials & Supplies	\$25,577	\$24,345	\$26,043	\$26,060	\$27,040	\$27,000	\$27,000	\$27,000	\$27,000	
3.3.4 Subtotal Salaries and Benefits	\$154,321	\$145,350	\$147,527	\$148,291	\$150,599	\$154,870	\$159,341	\$163,977	\$168,786	
3.4 Contractual Services - Water										
3.4.1 General Contractuals	\$35,273	\$37,536	\$36,144	\$29,710	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	
3.4.2 External Support	\$171,519	\$211,982	\$186,259	\$308,000	\$223,000	\$223,000	\$223,000	\$223,000	\$223,000	
3.4.3 Property Repair	\$19,395	\$60,303	\$19,421	\$22,000	\$237,000	\$237,000	\$237,000	\$237,000	\$237,000	
3.4.4 Utilities	\$106,434	\$122,082	\$108,827	\$115,200	\$134,400	\$134,400	\$134,400	\$134,400	\$134,400	
3.4.5 Other	\$6,091	\$130,661	\$10,627	\$8,102	\$9,900	\$9,900	\$9,900	\$9,900	\$9,900	
3.4.6 Payment for Chicago Water <sup>(1)</sup>	\$3,747,180	\$4,776,727	\$5,084,634	\$6,158,250	\$6,979,921	\$6,237,957	\$6,484,356	\$6,740,489	\$7,006,738	
3.4.7 Subtotal Contractual Services - Water	\$4,085,892	\$5,339,291	\$5,445,912	\$6,641,262	\$7,616,221	\$6,874,257	\$7,120,656	\$7,376,789	\$7,643,038	
3.5 Contractual Services - Sewer										
3.5.1 General Contractuals	\$0	\$21,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3.5.2 External Support	\$118,170	\$192,365	\$270,040	\$402,237	\$286,000	\$286,000	\$286,000	\$286,000	\$286,000	
3.5.3 Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3.5.4 Subtotal Contractual Services - Sewer	\$118,170	\$213,473	\$270,040	\$402,237	\$286,000	\$286,000	\$286,000	\$286,000	\$286,000	
3.6 Contractual Services - Finance										
3.6.1 General Contractuals	\$0	\$21,108	\$14,743	\$20,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	
3.6.2 External Support	\$44,373	\$0	\$8,277	\$0	\$0	\$0	\$0	\$0	\$0	
3.6.3 Other	\$12,835	\$85,128	\$105,978	\$70,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	
3.6.4 Subtotal Contractual Services - Sewer	\$57,208	\$106,236	\$128,998	\$90,000	\$102,000	\$102,000	\$102,000	\$102,000	\$102,000	
3.5 Transfers										
3.5.1 Transfer to General Fund	\$1,050,000	\$459,006	\$1,800,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	
3.5.2 Transfer to Self Insured Retention (S.I.R.)	\$700,000	\$1,150,000	\$1,050,000	\$550,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	
3.5.3 Subtotal Transfers	\$1,750,000	\$1,609,006	\$2,850,000	\$1,600,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	
3.6 Total Operating Expenses	\$7,678,292	\$9,587,995	\$10,693,569	\$10,513,910	\$11,388,282	\$10,696,018	\$10,993,376	\$11,302,467	\$11,623,761	

Notes (1) = Chicago recorded volume x Chicago rate (Table A3) for projected 2015-2019.  
 (2)  
 (3)  
 (4)  
 (5)

Table B4  
Capital Financing  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Fiscal Year Ending December 31								
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
4.1 Debt Service									
4.1.1 Series 2010C (Water Portion)	\$349,319	\$351,480	\$1,044,937	\$506,609	\$509,617	\$507,783	\$504,437	\$506,433	\$507,665
4.1.2 Series 2011B	\$0	\$0	\$0	\$112,796	\$112,358	\$114,793	\$114,268	\$113,743	\$113,218
4.1.3 Series 2012A	\$0	\$0	\$0	\$208,154	\$210,919	\$208,756	\$234,216	\$284,343	\$291,315
4.1.4 Future	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.1.5 Subtotal Debt Service	\$349,319	\$351,480	\$1,044,937	\$827,559	\$832,894	\$831,332	\$852,921	\$904,519	\$912,198
4.2 Capital Outlay from Revenues - Water									
4.2.1 CIP Surveying Services				\$8,750	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
4.2.2 Annual Watermain Replacements/Engineering				\$215,298		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
4.2.3 Forest north of Lake Watermain Replacement				\$125,000					
4.2.4 North Blvd/Kenilworth & Clinton Viaducts					\$500,000				
4.2.5 Water Valve Replacement Program					\$100,000	\$100,000	\$50,000	\$50,000	\$50,000
4.2.6 Lake St. (Harlem to Austin)							\$500,000		
4.2.7 Chicago Ave. (Harlem to Austin)						\$1,200,000			
4.2.8 Oak Park Ave. (Roos. to North Ave.)								\$900,000	
4.2.9 Maple & South Blvd. Watermain Relocation					\$100,000				
4.2.10 Ridgeland Commons Watermain Repl.									
4.2.11 I-290 Crossing Repl. (Lombard)				\$57,459					
4.2.12 South Boulevard Streetscape Watermain Replacement					\$490,000				
4.2.13 Fire Hydrant Painting Program									
4.2.14 I-290/Wenonah Crossing Engineering (Replaces Maple)								\$75,000	
4.2.15 I-290/Wenonah Crossing (Replaces Maple)									\$750,000
4.2.16 Watermeter/Register Head Replacement				\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
4.2.17 Fixed Network for Watermeter Reading						\$40,000			
4.2.18 Security Improvements				\$10,000	\$10,000		\$25,000		\$25,000
4.2.19 Install Motorized Valves at CPS				\$1,000					
4.2.20 CPS Valve Replacement									
4.2.21 CPS Reservoir Roof Lining (Eng/Const)				\$74,000	\$1,425,000				
4.2.22 CPS VFD Replacement (4 @ \$25k)							\$100,000	\$100,000	
4.2.23 CPS Roof Replacement									
4.2.24 New SCADA Computers						\$6,000			
4.2.25 Automatic flushing Devices					\$17,500	\$17,500			
4.2.26 SPS & NPS Chicago Meter Totalizers									\$30,000
4.2.27 SCADA Upgrade for Chicago Meter Totalizers									\$45,000
4.2.28 Bulk Water Station							\$40,000		
4.2.29 Sampling Stations (qty 12)									\$24,000
4.2.30 SPS & NPS Fiberglass Walkway					\$40,000	\$40,000			
4.2.31 Concrete Driveway at NPS						\$35,000			
4.2.32 Equipment				\$19,500	\$162,718	\$5,000	\$5,000	\$5,000	\$5,000
4.2.33 Vehicles					\$27,000	\$110,000	\$145,000	\$45,000	
4.2.34 Subtotal Capital Outlay from Revenues - Water	\$1,649,995	\$1,327,328	\$2,817,047	\$661,007	\$3,042,218	\$3,228,500	\$2,540,000	\$2,850,000	\$2,604,000

Table B4  
 Capital Financing  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description	Fiscal Year Ending December 31								
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
4.3 Capital Outlay from Revenues - Sewer									
4.3.1 CIP Surveying Services				\$18,750	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
4.3.2 Annual Sewer Main Replacement/Engineering				\$134,420		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
4.3.3 Ridgeland Ave. Sewer Main Replacement/Lining					\$1,250,000				
4.3.4 Kenilworth (Chicago - Augusta)					\$750,000				
4.3.5 North Blvd/Kenilworth & Clinton viaducts					\$500,000				
4.3.6 Lake St. (Harlem to Austin)							\$800,000		
4.3.7 Chicago Ave. (Harlem to Austin)						\$300,000			
4.3.8 Oak Park Ave. (Roos. to North Ave.)								\$2,000,000	
4.3.9 Project Engineering (Sewer Modeling)				\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
4.3.10 Sewer Backup Protection Grant Program				\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
4.3.11 RainScape Grant Program						\$25,000			
4.3.12 Permeable Pavement Reimbursement						\$25,000			
4.3.13 Watermeter/Register Head Replacement				\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
4.3.14 Fixed Network for Watermeter Reading						\$50,000			
4.3.15 Equipment				\$3,721	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
4.3.16 Vehicles					\$120,000		\$110,000	\$120,000	\$200,000
4.3.17 Subtotal Capital Outlay from Revenues - Sewer	\$929,172	\$2,119,805	\$652,834	\$416,891	\$2,905,000	\$2,190,000	\$2,700,000	\$3,910,000	\$1,990,000
4.4 Subtotal Capital Outlay from Revenues - Water & Sewer	\$2,579,167	\$2,899,267							
4.5 Fund Reserve									
4.6 Total Capital Financing	\$5,507,653	\$6,697,880	\$4,514,818	\$1,905,457	\$6,780,112	\$6,249,832	\$6,092,921	\$7,664,519	\$5,506,198

Notes (1)  
 (2)  
 (3)  
 (4)  
 (5)

Table B5  
 Operating Results With Present Rates  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description	Fiscal Year Ending December 31								
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
5.1	Billing Quantities								
5.1.1	Billings								
5.1.2	151,344	151,368	151,428	151,428	151,428	151,428	151,428	151,428	151,428
5.1.2	1,554,625	1,665,982	1,554,883	1,554,883	1,477,139	1,462,367	1,447,744	1,433,266	1,418,934
5.2	Revenues								
5.2.1	\$7,702,649	\$9,540,493	\$9,776,980		\$10,886,513	\$10,777,648	\$10,669,872	\$10,563,173	\$10,457,541
5.2.2	\$2,990,749	\$3,258,109	\$3,148,460	\$14,271,645	\$3,175,849	\$3,144,090	\$3,112,649	\$3,081,523	\$3,050,707
5.2.3					\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
5.2.4	\$150,029			\$162,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
5.2.5	\$10,843,426	\$12,798,602	\$12,925,441	\$14,434,145	\$14,082,662	\$13,942,038	\$13,802,821	\$13,664,996	\$13,528,549
5.3	Operating Expenses								
5.3.1	\$944,113	\$1,521,002	\$910,041	\$879,620	\$878,178	\$904,666	\$931,933	\$960,273	\$989,731
5.3.2	\$568,588	\$653,637	\$941,050	\$752,500	\$555,284	\$574,224	\$593,446	\$613,429	\$634,206
5.3.3	\$154,321	\$145,350	\$147,527	\$148,291	\$150,599	\$154,870	\$159,341	\$163,977	\$168,786
5.3.4	\$4,085,892	\$5,339,291	\$5,445,912	\$6,641,262	\$7,616,221	\$6,874,257	\$7,120,656	\$7,376,789	\$7,643,038
5.3.5	\$118,170	\$213,473	\$270,040	\$402,237	\$286,000	\$286,000	\$286,000	\$286,000	\$286,000
5.3.6	\$57,208	\$106,236	\$128,998	\$90,000	\$102,000	\$102,000	\$102,000	\$102,000	\$102,000
5.3.7	\$1,750,000	\$1,609,006	\$2,850,000	\$1,600,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000
5.3.8	\$7,678,292	\$9,587,995	\$10,693,569	\$10,513,910	\$11,388,282	\$10,696,018	\$10,993,376	\$11,302,467	\$11,623,761
5.4	Capital Financing								
5.4.1	\$349,319	\$351,480	\$1,044,937	\$827,559	\$832,894	\$831,332	\$852,921	\$904,519	\$912,198
5.4.2	Debt Service - Sewer								
5.4.3	\$2,579,167	\$2,899,267							
5.4.4			\$2,817,047	\$661,007	\$3,042,218	\$3,228,500	\$2,540,000	\$2,850,000	\$2,604,000
5.4.5			\$652,834	\$416,891	\$2,905,000	\$2,190,000	\$2,700,000	\$3,910,000	\$1,990,000
5.4.6					\$0	\$0	\$0	\$0	\$0
5.4.7	\$2,928,486	\$3,250,747	\$4,514,818	\$1,905,457	\$6,780,112	\$6,249,832	\$6,092,921	\$7,664,519	\$5,506,198
5.5	\$10,606,778	\$12,838,742	\$15,208,387	\$12,419,367	\$18,168,394	\$16,945,850	\$17,086,297	\$18,966,986	\$17,129,959
5.6	Cash Balance (Deficit)								
5.6.1	\$236,649	(\$40,140)	(\$2,282,946)	\$2,014,778	(\$4,085,732)	(\$3,003,811)	(\$3,283,476)	(\$5,301,991)	(\$3,601,410)
5.6.2					\$0	\$0	\$0	\$0	\$0
5.7	Fund Balance <sup>(2)</sup>								
			\$118,000	\$2,132,778	(\$1,952,954)	(\$4,956,766)	(\$8,240,241)	(\$13,542,232)	(\$17,143,642)

Notes (1) Revenues - Expenses  
 (2) Previous Fund Reserve Balance + Net Revenue  
 (3)  
 (4)  
 (5)

Table C1 - 2015  
Unit Cost-of-Service  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Expenditures \$	Fiscal Year Ending December 31, 2015		Customer Charge				
		Volume - Water %	\$	Volume - Sewer %	\$	%	\$	
1.1	User Charge							
1.1.1	Water - Personnel Services	\$469,259	60%	\$281,555	0%	\$0	40%	\$187,704
1.1.2	Water - Fringe Benefits	\$243,171	60%	\$145,903	0%	\$0	40%	\$97,268
1.1.3	Water - Materials & Supplies	\$165,748	100%	\$165,748	0%	\$0	0%	\$0
1.1.4	Water - Contractual Services	\$636,300	100%	\$636,300	0%	\$0	0%	\$0
1.1.5	Water - Payment for Chicago Water	\$6,979,921	100%	\$6,979,921	0%	\$0	0%	\$0
1.1.6	Sewer - Personnel Services	\$322,316	0%	\$0	60%	\$193,390	40%	\$128,926
1.1.7	Sewer - Fringe Benefits	\$176,418	0%	\$0	60%	\$105,851	40%	\$70,567
1.1.8	Sewer - Materials & Supplies	\$56,550	0%	\$0	100%	\$56,550	0%	\$0
1.1.9	Sewer - Contractual Services	\$286,000	0%	\$0	100%	\$286,000	0%	\$0
1.1.10	Finance - Personnel Services	\$93,349	0%	\$0	0%	\$0	100%	\$93,349
1.1.11	Finance - Fringe Benefits	\$30,210	0%	\$0	0%	\$0	100%	\$30,210
1.1.12	Finance - Materials & Supplies	\$27,040	0%	\$0	0%	\$0	100%	\$27,040
1.1.13	Finance - Contractual Services	\$102,000	0%	\$0	0%	\$0	100%	\$102,000
1.1.14	Transfers	\$1,800,000	64%	\$1,152,000	36%	\$648,000	0%	\$0
1.1.15	Other Revenue	(\$15,500)	64%	(\$9,920)	36%	(\$5,580)	0%	\$0
1.1.16	Subtotal User Charge	\$11,372,782		\$9,351,507		\$1,284,210		\$737,065
1.1.17	Billing Quantity			1,477,139		1,477,139		164,700
				(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.1.18	User Charge Unit Rate			\$6.33		\$0.87		\$4.48
				Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.2	Capital Financing							
1.2.1	Debt Service - Water	\$832,894	100%	\$832,894	0%	\$0	0%	\$0
1.2.3	Capital Outlay from Revenues - Water	\$3,042,218	98.2%	\$2,986,899	0%	\$0	1.8%	\$55,319
1.2.4	Capital Outlay from Revenues - Sewer	\$2,905,000	0%	\$0	98.9%	\$2,873,883	1.1%	\$31,117
1.2.5	Fund Reserve	\$0	64%	\$0	36%	\$0	0%	\$0
1.2.6	Subtotal Capital Financing	\$6,780,112		\$3,819,793		\$2,873,883		\$86,435
1.2.7	Billing Quantity			1,477,139		1,477,139		164,700
				(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.2.8	Capital Financing Unit Rate			\$2.59		\$1.95		\$0.52
				Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.3	Total Unit Rate			\$8.92		\$2.81		\$5.00

Notes (1)  
(2)  
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Table C1 - 2016  
Unit Cost-of-Service  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Expenditures \$	Fiscal Year Ending December 31, 2016		Customer Charge			
		Volume - Water %	\$	Volume - Sewer %	\$	%	\$
1.1 User Charge							
1.1.1 Water - Personnel Services	\$483,337	60%	\$290,002	0%	\$0	40%	\$193,335
1.1.2 Water - Fringe Benefits	\$255,330	60%	\$153,198	0%	\$0	40%	\$102,132
1.1.3 Water - Materials & Supplies	\$166,000	100%	\$166,000	0%	\$0	0%	\$0
1.1.4 Water - Contractual Services	\$636,300	100%	\$636,300	0%	\$0	0%	\$0
1.1.5 Water - Payment for Chicago Water	\$6,237,957	100%	\$6,237,957	0%	\$0	0%	\$0
1.1.6 Sewer - Personnel Services	\$331,986	0%	\$0	60%	\$199,191	40%	\$132,794
1.1.7 Sewer - Fringe Benefits	\$185,239	0%	\$0	60%	\$111,143	40%	\$74,095
1.1.8 Sewer - Materials & Supplies	\$57,000	0%	\$0	100%	\$57,000	0%	\$0
1.1.9 Sewer - Contractual Services	\$286,000	0%	\$0	100%	\$286,000	0%	\$0
1.1.10 Finance - Personnel Services	\$96,149	0%	\$0	0%	\$0	100%	\$96,149
1.1.11 Finance - Fringe Benefits	\$31,721	0%	\$0	0%	\$0	100%	\$31,721
1.1.12 Finance - Materials & Supplies	\$27,000	0%	\$0	0%	\$0	100%	\$27,000
1.1.13 Finance - Contractual Services	\$102,000	0%	\$0	0%	\$0	100%	\$102,000
1.1.14 Transfers	\$1,800,000	64%	\$1,152,000	36%	\$648,000	0%	\$0
1.1.15 Other Revenue	(\$15,500)	64%	(\$9,920)	36%	(\$5,580)	0%	\$0
1.1.16 Subtotal User Charge	\$10,680,518		\$8,625,537		\$1,295,754		\$759,226
1.1.17 Billing Quantity			1,462,367		1,462,367		164,700
			(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.1.18 User Charge Unit Rate			\$5.90		\$0.89		\$4.61
			Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.2 Capital Financing							
1.2.1 Debt Service - Water	\$831,332	100%	\$831,332	0%	\$0	0%	\$0
1.2.3 Capital Outlay from Revenues - Water	\$3,228,500	98.7%	\$3,187,365	0%	\$0	1.3%	\$41,135
1.2.4 Capital Outlay from Revenues - Sewer	\$2,190,000	0%	\$0	98.9%	\$2,166,861	1.1%	\$23,139
1.2.5 Fund Reserve	\$0	64%	\$0	36%	\$0	0%	\$0
1.2.6 Subtotal Capital Financing	\$6,249,832		\$4,018,697		\$2,166,861		\$64,274
1.2.7 Billing Quantity			1,462,367		1,462,367		164,700
			(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.2.8 Capital Financing Unit Rate			\$2.75		\$1.48		\$0.39
			Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.3 Total Unit Rate			\$8.65		\$2.37		\$5.00

Notes (1)  
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Table C1 - 2017  
Unit Cost-of-Service  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Expenditures \$	Fiscal Year Ending December 31, 2017		Customer Charge			
		Volume - Water %	\$	Volume - Sewer %	\$	%	\$
1.1 User Charge							
1.1.1 Water - Personnel Services	\$497,837	60%	\$298,702	0%	\$0	40%	\$199,135
1.1.2 Water - Fringe Benefits	\$268,096	60%	\$160,858	0%	\$0	40%	\$107,238
1.1.3 Water - Materials & Supplies	\$166,000	100%	\$166,000	0%	\$0	0%	\$0
1.1.4 Water - Contractual Services	\$636,300	100%	\$636,300	0%	\$0	0%	\$0
1.1.5 Water - Payment for Chicago Water	\$6,484,356	100%	\$6,484,356	0%	\$0	0%	\$0
1.1.6 Sewer - Personnel Services	\$341,945	0%	\$0	60%	\$205,167	40%	\$136,778
1.1.7 Sewer - Fringe Benefits	\$194,500	0%	\$0	60%	\$116,700	40%	\$77,800
1.1.8 Sewer - Materials & Supplies	\$57,000	0%	\$0	100%	\$57,000	0%	\$0
1.1.9 Sewer - Contractual Services	\$286,000	0%	\$0	100%	\$286,000	0%	\$0
1.1.10 Finance - Personnel Services	\$99,034	0%	\$0	0%	\$0	100%	\$99,034
1.1.11 Finance - Fringe Benefits	\$33,307	0%	\$0	0%	\$0	100%	\$33,307
1.1.12 Finance - Materials & Supplies	\$27,000	0%	\$0	0%	\$0	100%	\$27,000
1.1.13 Finance - Contractual Services	\$102,000	0%	\$0	0%	\$0	100%	\$102,000
1.1.14 Transfers	\$1,800,000	64%	\$1,152,000	36%	\$648,000	0%	\$0
1.1.15 Other Revenue	(\$15,500)	64%	(\$9,920)	36%	(\$5,580)	0%	\$0
1.1.16 Subtotal User Charge	\$10,977,876		\$8,888,296		\$1,307,287		\$782,292
1.1.17 Billing Quantity			1,447,744		1,447,744		164,700
			(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.1.18 User Charge Unit Rate			\$6.14		\$0.90		\$4.75
			Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.2 Capital Financing							
1.2.1 Debt Service - Water	\$852,921	100%	\$852,921	0%	\$0	0%	\$0
1.2.3 Capital Outlay from Revenues - Water	\$2,540,000	99.0%	\$2,513,627	0%	\$0	1.0%	\$26,373
1.2.4 Capital Outlay from Revenues - Sewer	\$2,700,000	0%	\$0	99.5%	\$2,685,165	0.5%	\$14,835
1.2.5 Fund Reserve	\$0	64%	\$0	36%	\$0	0%	\$0
1.2.6 Subtotal Capital Financing	\$6,092,921		\$3,366,548		\$2,685,165		\$41,208
1.2.7 Billing Quantity			1,447,744		1,447,744		164,700
			(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.2.8 Capital Financing Unit Rate			\$2.33		\$1.85		\$0.25
			Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.3 Total Unit Rate			\$8.46		\$2.76		\$5.00

Notes (1)  
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Table C1 - 2018  
Unit Cost-of-Service  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Expenditures \$	Fiscal Year Ending December 31, 2018		Customer Charge			
		Volume - Water %	\$	Volume - Sewer %	\$	%	\$
1.1 User Charge							
1.1.1 Water - Personnel Services	\$512,772	60%	\$307,663	0%	\$0	40%	\$205,109
1.1.2 Water - Fringe Benefits	\$281,501	60%	\$168,900	0%	\$0	40%	\$112,600
1.1.3 Water - Materials & Supplies	\$166,000	100%	\$166,000	0%	\$0	0%	\$0
1.1.4 Water - Contractual Services	\$636,300	100%	\$636,300	0%	\$0	0%	\$0
1.1.5 Water - Payment for Chicago Water	\$6,740,489	100%	\$6,740,489	0%	\$0	0%	\$0
1.1.6 Sewer - Personnel Services	\$352,203	0%	\$0	60%	\$211,322	40%	\$140,881
1.1.7 Sewer - Fringe Benefits	\$204,225	0%	\$0	60%	\$122,535	40%	\$81,690
1.1.8 Sewer - Materials & Supplies	\$57,000	0%	\$0	100%	\$57,000	0%	\$0
1.1.9 Sewer - Contractual Services	\$286,000	0%	\$0	100%	\$286,000	0%	\$0
1.1.10 Finance - Personnel Services	\$102,005	0%	\$0	0%	\$0	100%	\$102,005
1.1.11 Finance - Fringe Benefits	\$34,972	0%	\$0	0%	\$0	100%	\$34,972
1.1.12 Finance - Materials & Supplies	\$27,000	0%	\$0	0%	\$0	100%	\$27,000
1.1.13 Finance - Contractual Services	\$102,000	0%	\$0	0%	\$0	100%	\$102,000
1.1.14 Transfers	\$1,800,000	64%	\$1,152,000	36%	\$648,000	0%	\$0
1.1.15 Other Revenue	(\$15,500)	64%	(\$9,920)	36%	(\$5,580)	0%	\$0
1.1.16 Subtotal User Charge	\$11,286,967		\$9,161,432		\$1,319,277		\$806,258
1.1.17 Billing Quantity			1,433,266		1,433,266		164,700
			(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.1.18 User Charge Unit Rate			\$6.39		\$0.92		\$4.90
			Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.2 Capital Financing							
1.2.1 Debt Service - Water	\$904,519	100%	\$904,519	0%	\$0	0%	\$0
1.2.3 Capital Outlay from Revenues - Water	\$2,850,000	99.6%	\$2,838,965	0%	\$0	0.4%	\$11,035
1.2.4 Capital Outlay from Revenues - Sewer	\$3,910,000	0%	\$0	99.8%	\$3,903,793	0.2%	\$6,207
1.2.5 Fund Reserve	\$0	70%	\$0	30%	\$0	0%	\$0
1.2.6 Subtotal Capital Financing	\$7,664,519		\$3,743,484		\$3,903,793		\$17,242
1.2.7 Billing Quantity			1,433,266		1,433,266		164,700
			(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.2.8 Capital Financing Unit Rate			\$2.61		\$2.72		\$0.10
			Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.3 Total Unit Rate			\$9.00		\$3.64		\$5.00

Notes (1)  
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Table C1 - 2019  
Unit Cost-of-Service  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Expenditures \$	Fiscal Year Ending December 31, 2019		Customer Charge			
		Volume - Water %	\$	Volume - Sewer %	\$	%	\$
1.1 User Charge							
1.1.1 Water - Personnel Services	\$528,155	60%	\$316,893	0%	\$0	40%	\$211,262
1.1.2 Water - Fringe Benefits	\$295,576	60%	\$177,346	0%	\$0	40%	\$118,230
1.1.3 Water - Materials & Supplies	\$166,000	100%	\$166,000	0%	\$0	0%	\$0
1.1.4 Water - Contractual Services	\$636,300	100%	\$636,300	0%	\$0	0%	\$0
1.1.5 Water - Payment for Chicago Water	\$7,006,738	100%	\$7,006,738	0%	\$0	0%	\$0
1.1.6 Sewer - Personnel Services	\$362,770	0%	\$0	60%	\$217,662	40%	\$145,108
1.1.7 Sewer - Fringe Benefits	\$214,437	0%	\$0	60%	\$128,662	40%	\$85,775
1.1.8 Sewer - Materials & Supplies	\$57,000	0%	\$0	100%	\$57,000	0%	\$0
1.1.9 Sewer - Contractual Services	\$286,000	0%	\$0	100%	\$286,000	0%	\$0
1.1.10 Finance - Personnel Services	\$105,065	0%	\$0	0%	\$0	100%	\$105,065
1.1.11 Finance - Fringe Benefits	\$36,721	0%	\$0	0%	\$0	100%	\$36,721
1.1.12 Finance - Materials & Supplies	\$27,000	0%	\$0	0%	\$0	100%	\$27,000
1.1.13 Finance - Contractual Services	\$102,000	0%	\$0	0%	\$0	100%	\$102,000
1.1.14 Transfers	\$1,800,000	64%	\$1,152,000	36%	\$648,000	0%	\$0
1.1.15 Other Revenue	(\$15,500)	64%	(\$9,920)	36%	(\$5,580)	0%	\$0
1.1.16 Subtotal User Charge	\$11,608,261		\$9,445,356		\$1,331,744		\$831,161
1.1.17 Billing Quantity			1,418,934		1,418,934		164,700
			(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.1.18 User Charge Unit Rate			\$6.66		\$0.94		\$5.05
			Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.2 Capital Financing							
1.2.1 Debt Service - Water	\$912,198	100%	\$912,198	0%	\$0	0%	\$0
1.2.3 Capital Outlay from Revenues - Water	\$2,604,000	100.2%	\$2,608,903	0%	\$0	-0.2%	-\$4,903
1.2.4 Capital Outlay from Revenues - Sewer	\$1,990,000	0%	\$0	100.1%	\$1,992,758	-0.1%	-\$2,758
1.2.5 Fund Reserve	\$0	70%	\$0	30%	\$0	0%	\$0
1.2.6 Subtotal Capital Financing	\$5,506,198		\$3,521,101		\$1,992,758		-\$7,661
1.2.7 Billing Quantity			1,418,934		1,418,934		164,700
			(1,000 Gallons/Year)		(1,000 Gallons/Year)		(Equiv Meters)
1.2.8 Capital Financing Unit Rate			\$2.48		\$1.40		-\$0.05
			Per 1,000 Gallons		Per 1,000 Gallons		Per Equiv. Meter per month
1.3 Total Unit Rate			\$9.14		\$2.34		\$5.00

Notes (1)  
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Table C2  
 Unit Cost-of-Service Rates  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description			Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
2.1	Unit Rates						
2.1.1	Volume Charge						
2.1.1.1	Water Charge	Per 1,000 gallons	\$8.92	\$8.65	\$8.46	\$9.00	\$9.14
2.1.1.2	Sewer Charge	Per 1,000 gallons	\$2.81	\$2.37	\$2.76	\$3.64	\$2.34
2.1.2	Monthly Customer Charge	Per account per month					
2.1.2.1	5/8" meter		\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
2.1.2.2	3/4" meter		\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
2.1.2.3	1" meter		\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
2.1.2.4	1 1/2" meter		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
2.1.2.5	2" meter		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
2.1.2.6	3" meter		\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
2.1.2.7	4" meter		\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
2.1.2.8	6" meter		\$15.00	\$15.00	\$15.00	\$15.00	\$15.00

- Notes (1)  
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Table D1  
Proposed Rates  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description			Present	Proposed	Proposed	Proposed	Proposed	Proposed
				January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
1.1	Unit Rates							
1.1.1	Volume Charge							
1.1.1.1	Water Charge	Per 1,000 gallons	\$7.37	\$8.37	\$8.96	\$9.14	\$9.33	\$9.52
1.1.1.2	Sewer Charge	Per 1,000 gallons	\$2.15	\$2.39	\$2.55	\$2.61	\$2.67	\$2.73
1.1.2	Monthly Customer Charge		\$2.00					
1.1.2.1	5/8" meter			\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
1.1.2.2	3/4" meter			\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
1.1.2.3	1" meter			\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
1.1.2.4	1 1/2" meter			\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
1.1.2.5	2" meter			\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
1.1.2.6	3" meter			\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
1.1.2.7	4" meter			\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
1.1.2.8	6" meter			\$15.00	\$15.00	\$15.00	\$15.00	\$15.00

- Notes (1)  
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Table D2  
 Revenues From Proposed Rates  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description	Fiscal Year Ending December 31								
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
2.1 Water and Sewer Sales									
2.1.1 Water Volume Charge					\$12,363,652	\$13,102,812	\$13,232,378	\$13,372,375	\$13,508,249
2.1.2 Sewer Volume Charge					\$3,530,362	\$3,729,037	\$3,778,611	\$3,826,821	\$3,873,689
2.1.3 Customer Charge					\$823,500	\$823,500	\$823,500	\$823,500	\$823,500
2.1.4 Other Revenue					\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
2.1.5 Total Water Charges	\$10,843,426	\$13,003,701	\$13,112,941	\$14,434,145	\$16,733,014	\$17,670,849	\$17,849,989	\$18,038,196	\$18,220,938

- Notes (1)  
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Table D3  
Operating Results With Proposed Rates  
Water & Sewer Rate Study  
Village of Oak Park, Illinois  
December 2014

Description	Fiscal Year Ending December 31								
	Actual 2011	Actual 2012	Actual 2013	Estimated 2014	Budget Request 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
3.1 Billing Quantities									
3.1.1 Billings	151,344	151,368	151,428	151,428	151,428	151,428	151,428	151,428	151,428
3.1.2 Billable Volume (1,000 Gallons/Year)	1,554,625	1,665,982	1,554,883	1,554,883	1,477,139	1,462,367	1,447,744	1,433,266	1,418,934
3.2 Revenues									
3.2.1 Water Volume Charge					\$12,363,652	\$13,102,812	\$13,232,378	\$13,372,375	\$13,508,249
3.2.2 Sewer Volume Charge					\$3,530,362	\$3,729,037	\$3,778,611	\$3,826,821	\$3,873,689
3.2.3 Customer Charge					\$823,500	\$823,500	\$823,500	\$823,500	\$823,500
3.2.4 Other Revenue					\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
3.2.5 Total Revenues	\$10,843,426	\$13,003,701	\$13,112,941	\$14,434,145	\$16,733,014	\$17,670,849	\$17,849,989	\$18,038,196	\$18,220,938
3.3 Operating Expenses									
3.3.1 Salaries and Benefits - Water	\$944,113	\$1,521,002	\$910,041	\$879,620	\$878,178	\$904,666	\$931,933	\$960,273	\$989,731
3.3.2 Salaries and Benefits - Sewer	\$568,588	\$653,637	\$941,050	\$752,500	\$555,284	\$574,224	\$593,446	\$613,429	\$634,206
3.3.3 Salaries and Benefits - Finance	\$154,321	\$145,350	\$147,527	\$148,291	\$150,599	\$154,870	\$159,341	\$163,977	\$168,786
3.3.4 Contractual Services - Water	\$4,085,892	\$5,339,291	\$5,445,912	\$6,641,262	\$7,616,221	\$6,874,257	\$7,120,656	\$7,376,789	\$7,643,038
3.3.5 Contractual Services - Sewer	\$118,170	\$213,473	\$270,040	\$402,237	\$286,000	\$286,000	\$286,000	\$286,000	\$286,000
3.3.6 Contractual Services - Finance	\$57,208	\$106,236	\$128,998	\$90,000	\$102,000	\$102,000	\$102,000	\$102,000	\$102,000
3.3.7 Transfers	\$1,750,000	\$1,609,006	\$2,850,000	\$1,600,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000
3.3.8 Total Operating Expenses	\$7,678,292	\$9,587,995	\$10,693,569	\$10,513,910	\$11,388,282	\$10,696,018	\$10,993,376	\$11,302,467	\$11,623,761
3.4 Capital Financing									
3.4.1 Debt Service - Water	\$349,319	\$351,480	\$1,044,937	\$827,559	\$832,894	\$831,332	\$852,921	\$904,519	\$912,198
3.4.2 Debt Service - Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.4.3 Capital Outlay from Revenues - Water & Sewer	\$2,579,167	\$2,899,267	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.4.4 Capital Outlay from Revenues - Water	\$0	\$0	\$2,817,047	\$661,007	\$3,042,218	\$3,228,500	\$2,540,000	\$2,850,000	\$2,604,000
3.4.5 Capital Outlay from Revenues - Sewer	\$0	\$0	\$652,834	\$416,891	\$2,905,000	\$2,190,000	\$2,700,000	\$3,910,000	\$1,990,000
3.4.6 Fund Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.4.7 Total Capital Financing	\$2,928,486	\$3,250,747	\$4,514,818	\$1,905,457	\$6,780,112	\$6,249,832	\$6,092,921	\$7,664,519	\$5,506,198
3.5 Total Expenses (from C1 Tables)									
3.5.1 Water					\$13,181,221	\$12,654,154	\$12,264,764	\$12,914,836	\$12,976,377
3.5.2 Sewer					\$4,163,673	\$3,468,196	\$3,998,032	\$5,228,650	\$3,330,082
3.5.3 Customer Charge					\$823,500	\$823,500	\$823,500	\$823,500	\$823,500
3.5.4 Total Expenses	\$10,606,778	\$12,838,742	\$15,208,387	\$12,419,367	\$18,168,394	\$16,945,850	\$17,086,297	\$18,966,986	\$17,129,959
3.6 Cash Balance (Deficit)									
3.6.1 Water (+ Other Revenue)					(\$807,648)	\$458,579	\$977,534	\$467,459	\$541,791
3.6.2 Sewer (+ Other Revenue)					(\$627,732)	\$266,421	(\$213,841)	(\$1,396,249)	\$549,187
3.6.3 Customer Charge					\$0	\$0	\$0	\$0	\$0
3.6.4 Annual Net Revenue <sup>(1)</sup>				\$2,014,778	(\$1,435,380)	\$725,000	\$763,693	(\$928,790)	\$1,090,979
3.6.6 Percent of Water Sales					-8.59%	4.11%	4.28%	-5.15%	5.99%
3.7 Account Balance <sup>(2)</sup>			\$118,000	\$2,132,778	\$697,398	\$1,422,398	\$2,186,091	\$1,257,301	\$2,348,279
3.8 20% of Previous Year Operating Expenses <sup>(3)</sup>					\$2,102,782	\$2,277,656	\$2,139,204	\$2,198,675	\$2,260,493

- Notes (1) Revenues - Expenses  
(2) Previous Fund Reserve Balance + Net Revenue  
(3) Target minimum Fund Balance = 20% of Previous Year Operating Expenses  
(4)  
(5)



Table D4  
 Typical Customer Bills  
 Water & Sewer Rate Study  
 Village of Oak Park, Illinois  
 December 2014

Description			Present	Proposed	Proposed	Proposed	Proposed	Proposed
			January 1, 2015	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019
4.1	Unit Rates							
4.1.1	Volume Charge							
4.1.1.1	Water Charge	Per 1,000 gallons	\$7.37	\$8.37	\$8.96	\$9.14	\$9.33	\$9.52
4.1.1.2	Sewer Charge <sup>(1)</sup>	Per 1,000 gallons	\$2.15	\$2.39	\$2.55	\$2.61	\$2.67	\$2.73
4.1.2	Customer Charge	Per account per month		\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
		Monthly Usage (Gallons)	Bill (\$)	Bill (\$)	Bill (\$)	Bill (\$)	Bill (\$)	Bill (\$)
4.2	Quarterly Billings							
4.2.1	Small Family	4,500	\$128.52	\$160.26	\$170.39	\$173.63	\$177.00	\$180.38
4.2.2	Average Family	6,750	\$192.78	\$232.89	\$248.08	\$252.94	\$258.00	\$263.06
4.2.3	Large Family	11,250	\$321.30	\$378.15	\$403.46	\$411.56	\$420.00	\$428.44

- Notes (1)  
 (2)  
 (3)  
 (4)  
 (5)

## Appendix B

# Existing Water and Sewer Rate Ordinance

# ORIGINAL

2013-O-73\_K\_120213

## ORDINANCE

### AN ORDINANCE AMENDING CHAPTER 26 ("WATER"), ARTICLE 2 ("CHARGES AND COLLECTIONS"), SECTION 26-2-2 ("METER CHARGES") OF THE VILLAGE CODE OF OAK PARK, ILLINOIS

WHEREAS, the Village of Oak Park ("Village") is a home rule unit of government as provided by the provisions of Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, as a home rule unit of government, the Village is expressly empowered to perform any function pertaining to its government and affairs, including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; and

WHEREAS, pursuant to the Village's home rule authority and Section 11-139-8 of the Illinois Municipal Code, 65 ILCS 5/11-139-8, the Village may charge rates for its provision of water and sewer service to the inhabitants of the Village; and

WHEREAS, President and Board of Trustees have determined to amend the rates charged by the Village for water and sewer service as contained in this Ordinance.

NOW THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Oak Park, Cook County, Illinois, in the exercise of their home rule powers, as follows:

**Section 1. Recitals Incorporated.** The above recitals are incorporated herein by reference as though fully set forth.

**Section 2. Village Code Amended.** Chapter 26 ("Water"), Article 1 ("Charges and Collections"), Section 26-2-2 ("Meter Charges") of the Village Code of Oak Park, Illinois is hereby amended by adding the underlined language and deleting the overstricken language to read as follows:

#### 26-2-2: METER CHARGES:

A. Water Charge: The charge for water supplied through meters shall be fixed by the following scale, effective January 1, ~~2013~~ 2014:

Class I: A charge of ~~six seven dollars thirty-five~~ thirty seven cents (~~\$6.35~~) (\$7.37) for each one thousand (1,000) gallons shall be made to consumers of less than one hundred thousand (100,000) gallons per month, payable quarterly, and for those consuming in excess of one hundred thousand (100,000) gallons per month, payable monthly, except as provided for in class II.

Class II: A charge of ~~six seven dollars thirty-five~~ thirty seven cents (~~\$6.35~~) (\$7.37) per one thousand (1,000) gallons shall be made on all water used for construction or demolition purposes.

**B. Sewer Charge:** The charge for sewer services, based upon the quantity of water supplied through meters, shall be fixed by the following scale, effective January 1, ~~2013~~ 2014:

In order for the Village to pay for the operation and maintenance of the sewer system and to derive revenue for the payment of necessary expenses, including the repayment of any bonds issued to raise revenue therefor, there is established a sewer service charge of two dollars ~~nine fifteen~~ cents (~~\$2.09~~) (\$2.15) per one thousand (1,000) gallons of water consumed which shall be payable by all users of water; provided, however, the maximum rate for sewerage charges in any quarter (for any single-family user) shall be ~~seventy nine~~ eighty one dollars (~~\$79.00~~) (\$81.00).

The five percent (5%) utility tax established by the Village shall be paid by the Village, ~~a municipal corporation~~, from the water charges set forth herein.

**C. Minimum Customer Monthly Charge:** Effective January 1, 1999, a minimum rate of two dollars (\$2.00) per month for the privilege of connection to and the right to use water shall be charged each consumer, regardless of the amount of water used per month.

**D. Fire Suppression Charge:** ~~There shall be no charge for water usage.~~ Effective January 1, 1999, ~~however,~~ a monthly minimum charge of five dollars (\$5.00) per month shall be assessed to all customers who own or lease a premises that has a meter to record a fire suppression water usage.

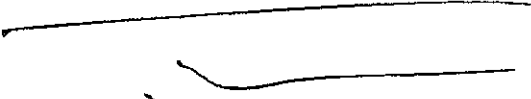
**Section 3. Severability and Repeal of Inconsistent Ordinances.** If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity thereof shall not affect any of the other provisions of this Ordinance. All ordinances in conflict herewith are hereby repealed to the extent of such conflict.

Section 4. Effective Date. This Ordinance shall be in full force and effect after its approval, passage and publication as provided by law on January 1, 2014.

ADOPTED this 2<sup>nd</sup> day of December, 2013, pursuant to a roll call vote as follows:

Voting	Aye	Nay	Abstain	Absent
President Abu-Taleb	✓			
Trustee Barber	✓			
Trustee Brewer	✓			
Trustee Johnson	✓			
Trustee Lueck	✓			
Trustee Salzman	✓			
Trustee Tucker	✓			

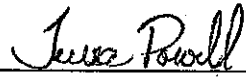
APPROVED this 2<sup>nd</sup> day of December, 2013.

  
 \_\_\_\_\_  
 Anan Abu-Taleb, Village President

Attest:

  
 \_\_\_\_\_  
 Teresa Powell, Village Clerk

Published in pamphlet form this 3<sup>rd</sup> day of December 2013.

  
 \_\_\_\_\_  
 Teresa Powell  
 Village Clerk

## **Article 2**

# **CHARGES AND COLLECTIONS**

### **26-2-1: CHARGES TO VILLAGE FOR WATER USE:**

All water consumed by the Village, or any department thereof, shall be paid for at the rates fixed in this article, and shall be subject to the provisions of this article, except that the charge to the Village for fire protection shall be ten dollars (\$10.00) per annum for each fire hydrant. (Ord. 2000-0-32, 6-19-2000)

This section has been affected by a recently passed ordinance, 2013-73 - METER CHARGES. [Go to new ordinance.](#)

### **26-2-2: METER CHARGES:**

A. Water Charge: The charge for water supplied through meters shall be fixed by the following scale, effective January 1, 2013:

Class I: A charge of six dollars thirty five cents (\$6.35) for each one thousand (1,000) gallons shall be made to consumers of less than one hundred thousand (100,000) gallons per month, payable quarterly, and for those consuming in excess of one hundred thousand (100,000) gallons per month, payable monthly, except as provided for in class II.

Class II: A charge of six dollars thirty five cents (\$6.35) per one thousand (1,000) gallons shall be made on all water used for construction or demolition purposes.

B. Sewer Charge: The charge for sewer services, based upon the quantity of water supplied through meters, shall be fixed by the following scale, effective January 1, 2013:

In order for the Village to pay for the operation and maintenance of the sewer system and to derive revenue for the payment of necessary expenses, including the repayment of any bonds issued to raise revenue therefor, there is established a sewer service charge of two dollars nine cents (\$2.09) per one thousand (1,000) gallons of water consumed which shall be payable by all users of water; provided, however, the maximum rate for sewerage charges in any quarter (for any single-family user) shall be seventy nine dollars (\$79.00).

The five percent (5%) utility tax established by the Village shall be paid by the Village, a municipal corporation, from the water charges set forth herein. (Ord. 2012-0-66, 11-19-2012)

- C. Minimum Customer Monthly Charge: Effective January 1, 1999, a minimum rate of two dollars (\$2.00) per month for the privilege of connection to and the right to use water shall be charged each consumer, regardless of the amount of water used per month.
- D. Fire Suppression Charge: There shall be no charge for water usage. Effective January 1, 1999, however, a monthly minimum charge of five dollars (\$5.00) per month shall be assessed to all customers who own or lease a premises that has a meter to record a fire suppression water usage. (Ord. 2000-0-37, 8-7-2000, eff. retroactive to 1-1-1999)

### **26-2-3: DUE DATE OF CHARGES; STATEMENT:**

All water charges shall be due and payable on or before the twenty first day after the date when the statements of such charges are rendered, and shall become delinquent if remaining unpaid thereafter.

Upon the net amount of any statement of charges for water supplied, there shall be added ten percent (10%) provided that the statement is not paid within twenty six (26) days of the date it was rendered. The net amount plus the ten percent (10%) shall be known as the gross amount.

It shall be the duty of the Director of Finance to cause the statement for water charges to be delivered on the respective dates thereof and at least every three (3) months to each consumer of water. (Ord. 2000-0-32, 6-19-00)

### **26-2-4: DELINQUENT ACCOUNTS; SHUTOFF; RECONNECTION FEE; DEPOSIT; RENTAL UNITS:**

- A. Whenever any charges under this Article shall remain unpaid for a period of more than thirty (30) days from the date of the statement herein provided for, and the Village has provided notice to the delinquent consumer of its intention to turn off the water supply to the consumer due to such nonpayment and has provided the consumer with an opportunity for a hearing to present reasons why the water should not be turned off, and the consumer either fails to request a hearing or fails to provide adequate reasons to prevent the water shutoff, then the water shall be turned off from the premises of such

delinquent consumer and the service shall not be resumed until the following has occurred:

1. All water bills in arrears have been paid;
2. A reconnection fee is paid. The charge shall be fifty dollars (\$50.00) for the services of the Water Division in turning the water off and on if said reconnection is made during working hours (7:00 A.M. to 2:30 P.M.) and one hundred fifty dollars (\$150.00) if said reconnection is made after working hours, or on a Saturday, Sunday or holiday; and
3. A deposit equal to one-sixth ( $\frac{1}{6}$ ) of the last actual or estimated annual water bill has been paid. In the case of tenants already required to make deposits in accordance with Section 26-2-6 of this Article, the deposit required herein shall be in addition to the deposit required under Section 26-2-6 of this Article. The deposit shall be refunded to the consumer at the time the water service is terminated, provided that there are no water charges due and unpaid at that time. If there are unpaid water charges due at the time the water service is terminated, the deposit shall first be applied to the unpaid water charges and any remaining deposit funds shall be returned to the consumer.

The Director of Finance shall cause all notices of water shutoff to be mailed by first class mail, delivered or posted at the mailing address of the water consumer listed in the Village water billing records not less than ten (10) days prior to the scheduled date of the water shutoff. Copies of said notice shall also be delivered to the Village's Community Relations Department and to all social service or housing agencies that may be subsidizing the rent for any dwelling unit affected by the impending water shutoff. The Director of Finance shall designate a supervisory employee of the Finance Department to act as a hearing officer with regard to water shut-off hearings.

The notice of water shutoff shall indicate the date of the water shutoff, the amount of the delinquency which must be satisfied, the place and manner in which the payment of such delinquent amount must be made, or the time, place and manner in which to request a hearing at which the consumer can provide the designated hearing officer with reasons why the consumer's water should not be shut off. All requests for hearings must occur during the ten (10) day period prior to the scheduled date of the water shutoff. The notice shall conform in all other respects to the requirements set forth in 765 Illinois Compiled Statutes 735/3. Reasons which will prevent a water shutoff from occurring shall include, but not necessarily be limited to:

- a. A mistake in the water bill or water bill amount;
- b. A payment of the water bill amount shown as due and owing on the face of the water bill; and/or
- c. A serious public health and safety hazard which will prevent the water shutoff.

If the hearing officer determines that the reasons presented by the consumer for not turning off the water are valid, the hearing officer shall provide the consumer with written notice of the hearing officer's decision as soon as possible but no later than seventy two (72) hours after the completion of the hearing, and shall cancel the water shutoff and shall order whatever Village record corrections are necessary to



reflect the fact that the consumer is not subject to water shutoff at that time. No water shutoff shall occur during the pendency of a water shut-off hearing.

No person owing water charges and moving to other premises within the Village where there are water connections or where connections shall afterwards be made, shall be supplied with water until such charges in arrears are paid in full.

B. Whenever, pursuant to any agreement, either written or verbal, a landlord or the landlord's agent is required to pay for water service, and the landlord or the landlord's agent does not pay for such service, the tenant, or tenants in the event more than one tenant is served by a common system of water service which goes through a common meter in a single building, may pay for such service if the nonpayment jeopardizes the continuation of the service to the tenant or tenants, as the case may be. The Village shall not terminate service for such nonpayment until it mails, delivers or posts a notice in the same manner as specified in subsection 26-2-4A of this section to all tenants of a building. Upon receipt of such payment of the past due cost of such water service owed by the landlord, the Village shall immediately restore service to such tenant or tenants. In the alternative, the Village shall immediately restore and continue such service to any tenant or tenants who enter into a payment plan agreement with the Village to pay the delinquent balance on the landlord's water bill within a reasonable period of time to be determined by the Director of Finance. In the event of a default on any such agreement by a party or parties thereto failing to make payments to the Village on the delinquent water bill in accordance with the terms and payment schedule set forth therein, no further notice shall be required of the Village prior to shutting off the water service. Any sums the tenant or tenants, as the case may be, pays for water service that the landlord or the landlord's agent was required to pay may be deducted from the rent due by the tenant or tenants, and the total rent is diminished by the amount the tenant or tenants, as the case may be, have paid for the continuation of the water service. (Ord. 2000-0-32, 6-19-00)

#### **26-2-5: COMPUTATION OF CHARGES WHEN METER FAILS:**

Whenever any meter, by reason of its being out of repair, or for any cause, fails to properly register the water passing through the same, the consumer shall be charged at the rate shown for a corresponding time of a previous year under like conditions. If no record of a previous year exists, then it shall be the duty of the Director of Finance to estimate or determine so far as he or she can, the amount of water consumed during the time such meter fails to operate, and the consumer shall pay the amount estimated by the Director of Finance. (Ord. 2000-0-32, 6-19-00)

#### **26-2-6: RESPONSIBILITY FOR WATER REGISTERED BY METER; TENANT DEPOSIT REQUIRED:**

The owner or tenant of premises supplied with water will be held responsible for all water registered by the meter. No reduction shall be made or rebate allowed to any consumer on account of leakage, or alleged leakage, in any pipe, tank or other apparatus or device.

A. **Tenant Deposit:** Tenants of premises who are required by their lease to pay water charges shall be required to deposit with the Village a sum equal to one quarter's estimated maximum water bill for the leased premises. Said sum shall be refunded to the tenant when the lease has been terminated, provided there are no water charges due at that time. (Ord. 2000-0-32, 6-19-00)

B. **Meter Testing And Fees:** Effective January 1, 2010, customers may request that the Village test their meters. If a tested meter is found to be running accurately or slow, the customer must pay for the meter test. All customers requesting a meter test shall make a cash deposit at the time of the request to cover the cost of the test.

Customers requesting a meter test for five-eighths inch ( $\frac{5}{8}$ " ) through two inch (2") disk meters shall provide the Village with a one hundred dollar (\$100.00) deposit. After the Village has received this deposit, the Village will pull and test the meter, and temporarily install a new pretested meter in its place.

If the test results show the meter to be running fast according to AWWA standards, the Village will return the one hundred dollar (\$100.00) deposit to the customer and leave the newly installed meter in place. In addition to the deposit refund, the water bill for the current billing cycle will also be adjusted to reflect the accurate rate at which the meter should have been measuring the flow of water.

If the test results show that the meter is running accurately or running slow according to AWWA standards, the Village will retain the one hundred dollar (\$100.00) deposit. If the tested meter is found to be running accurately, the Village at its discretion will either leave the new meter in place or service and reinstall the old meter. If the tested meter is found to be running slowly, the Village will leave the newly installed meter in place and will adjust the water bill for the current billing cycle to reflect the accurate rate at which the meter should have been measuring the flow of water.

If for any reason the customer is not satisfied with the test results from the Village, the Village will, at the customer's option, send the meter out to be tested by an outside contractor at the customer's expense.

All compound meters will be tested at the Village's expense, except when a test is specifically requested by an owner or customer. If an owner or customer requests a meter test for a compound meter, the cost for the test will be charged to that owner or customer, and the charge will equal the total cost to the Village to have the meter tested. (Ord. 2009-0-093, 11-23-09)

**26-2-7: FINAL AND INITIAL METER READINGS REQUIRED:**

Any person who shall vacate any premises or any person who shall enter upon or occupy any premises, shall immediately, before vacating or occupying such premises, notify the Water Division and secure a reading of the meter. (Ord. 2000-0-32, 6-19-00)

**26-2-8: TWO OR MORE METERS ON ONE SERVICE:**

Property owners may have, at the option of the Water Division, more than one meter installed in one building, on one service and controlled by a single round way in the parkway; provided, the meters are not connected in tandem. Nothing less than the minimum charge will be made for each meter so installed, and the bills for the whole supply furnished through such service shall be made to the owner of the premises. (Ord. 2000-0-32, 6-19-00)

**26-2-9: LIEN ON REAL ESTATE SERVED FROM VILLAGE WATER SYSTEM:**

A lien may be declared and recorded on the real estate of every owner whose property is served with water where the payments therefrom are delinquent as provided in section 26-2-10 of this article. (Ord. 2000-0-32, 6-19-00)

**26-2-10: PROCEDURES TO ENFORCE COLLECTION OF WATER CHARGES:**

The following remedies may be applied severally or cumulatively to enforce collections of water charges:

- A. By shutting off, in whole or in part, the water supply to such property; provided, however, water service shall only be shut off in accordance with the notice and hearing procedures set forth in section 26-2-4 of this article.
- B. By suits at law for the recovery of amounts due, and to enforce judgments by levy and making the same a lien on real estate.

C. By recording a notice or declaration of lien on the specific property with the Recorder of Deeds of Cook County, Illinois.

D. By foreclosure of the lien. (Ord. 2000-0-32, 6-19-00)