

Water & Sewer Utility Fee Adjustments - Effective May 1, 2019

In conjunction with the adoption of the 2019/20 budget, the Village Board approved Water and Sewer rates to be charged by the Village effective May 1, 2019. Billings created after May 1 will reflect the below adjustments.

In approving these rates, the stated goal of the Village is to generate adequate revenues to fully fund the operations of the Water and Sewer utility system as well as provide for current and future capital needs. At the same time, the Village remains mindful of this rate structure. It is the Village's sincere desire to maintain rates at a reasonable level and in line with our neighboring communities.

As a reminder, no property tax dollars are used to fund the utility system; It is an "enterprise" fund, meaning that all revenues to pay for these services are received from user fees.

An updated water and sewer billing rate structure is available below, on page 4. This chart identifies the total billing amount that residents can expect, based on consumption. Please feel free to contact the Finance Department at (847) 551-3800 if you have questions regarding how your bill is calculated.

Residential Water & Sewer Consumption Rates

The below rates reflect an increase of 3% to pay for the basic operations of the utility plants, including personnel costs, sewage treatment costs, salt for water treatment, electricity, etc., and an additional 2% for capital improvement requirements.

	<u>Prior Rate</u>	<u>New Rate</u>
Up to 4,000 gallons	\$3.49 per 1,000 gallons	\$3.66 per 1,000 gallons
5,000 to 10,000 gallons	\$3.84 per 1,000 gallons	\$4.03 per 1,000 gallons
11,000-20,000 gallons	\$4.50 per 1,000 gallons	\$4.73 per 1,000 gallons
Over 20,000 gallons	\$4.65 per 1,000 gallons	\$4.88 per 1,000 gallons

Distribution Fee

The distribution fee, instituted over a decade ago, provides dedicated funding for the maintenance and repair of the Village's water and sewer infrastructure that is located throughout the Village. The below fee increase reflects a 2% increase to the bi-monthly capital fee.

	<u>Prior Fee</u>	<u>New Fee</u>
Bi-Monthly Distribution Fee	\$26.86	\$27.40

Capital Fee

The value of all of the Village's capital equipment for water and sewer operations exceeds \$20,000,000, and funds are continually needed to pay for capital equipment repairs and expansions. A separate capital fee was instituted three years ago to assist in the funding of these expanding needs. Total budgeted capital expenditures and debt service for the upcoming year are in excess of \$750,000, and include repairs to the existing water softeners, valve replacement, rebuilding of pumps, control system repairs and water tower repainting.

This year, an increase to the bi-monthly capital fee has been instituted, based on consumption. In previous years, a flat capital fee was billed to all accounts regardless of consumption. The new fee structure charges a higher capital fee for those accounts that use a greater amount of utility services.

In addition, the Village Board implemented an additional capital fee for accounts that serve more than one unit on a single meter. This adjustment has been implemented to ensure that all properties contribute fairly to the capital needs of the water and sewer utility systems.

	<u>Prior Rate</u>	<u>New Rate</u>
Bi-Monthly Capital Fee (Up to 10,000 gallons)	\$15.00	\$15.45
Bi-Monthly Capital Fee (11,000-20,000 gallons)	\$15.00	\$17.95
Bi-Monthly Capital Fee (Over 20,000 gallons)	\$15.00	\$20.45
Additional Bi-Monthly Capital Fee:		
Multi-family properties served by one meter	N/A	\$5 per unit over 1

Example Billings

Below examples of what a bi-monthly water and sewer utility bill will look like under the new billing structure, in comparison to previous billings:

Average SINGLE-FAMILY Residence - The below example illustrates a bi-monthly bill for a single-family home with 10,000 gallons of consumption, which represents an increase of \$4.63 or 4%.

	<u>Prior Billing</u>	<u>New Billing</u>
Usage Charge – Water and Sewer	\$74.00	\$77.64
Distribution Fee	\$26.86	\$27.40
Capital Fee	\$15.00	\$15.45
TOTAL BI-MONTHLY BILL	\$115.86	\$120.49

Average MULTI-FAMILY Residential Property served by one account - The below example illustrates a bi-monthly bill for a 3-unit multi-family residential property that is served by one meter, with 20,000 gallons of consumption, which represents an increase of \$21.73 or 10.5%.

	<u>Prior Billing</u>	<u>New Billing</u>
Usage Charge – Water and Sewer	\$164.00	\$172.24
Distribution Fee	\$26.86	\$27.40
Capital Fee	\$15.00	\$27.95
TOTAL BI-MONTHLY BILL	\$205.86	\$227.59

An updated water and sewer billing rate structure has been posted to the Water & Sewer page of the Village's website (www.wdundee.org/?page=water). Please feel free to contact the Finance Department at (847) 551-3800 if you have questions regarding how your bill is calculated.

Why are fee increases needed?

We are fortunate as a community to have good, clean, potable water available on demand, in any quantity needed, on a daily basis. The Village of West Dundee delivers, on average, over 750,000 gallons of water to the community every day, for an average cost per home of less than \$2 per day.

In past years, the Village has had the financial benefit of being able to subsidize the water and sewer utility operations, and capital maintenance and infrastructure upgrades, through the use of Home Rule Sales Tax receipts. Based on ongoing increases to the costs of providing utility service and maintenance obligations of the utility systems, the Village Board has committed to ensuring that the Village's utility system is self sufficient and generates enough user fee revenues to meet its expenditure obligations, in order to provide quality drinking water to the community.

The Village of West Dundee is committed to ensuring that our overall utility systems are up to date, safe and compliant. The Village Board is also committed to improving and maintaining our critical infrastructure and increasing the Village's investments into these utility systems, as well as meeting IEPA mandates and upgrades to both our water and sanitary sewer systems.

For example, IEPA has mandated that phosphorus be removed from sanitary sewers as an additional level of removal to be accomplished by all waste water systems prior to it being released back in to the watershed, in the upcoming years. The Village contracts with both the Village of East Dundee and Fox River Water Reclamation District (FRWRD) for sanitary sewer treatment of the community's waste water. As such, the Village is experiencing an increase in costs for our percentage at these treatment facilities based on our service contracts with these entities for treating the community's waste water. The Village of West Dundee alone is anticipated to incur additional debt service costs to FRWRD of an additional \$450,000 annually to help fund the required updates, beginning in the 2020/21 fiscal year.

Municipal Cost Comparison

While fee adjustments are necessary at times, the Village remains mindful of the impacts of increases on the residents and businesses of West Dundee, and is further committed to ensuring that our rate structure remains reasonable in comparison to the quality of service provided and comparable to other municipal utility rates in our area.

Below is an overview comparison of the direct costs of municipal services to residents in West Dundee and our neighboring communities, on average. The comparison is based on the following assumptions of an average household, in order to provide an equal comparison:

- Property Taxes: Ownership of a single-family home with value of approximately \$235,000
(reflects property taxes that were payable in 2018)
- Refuse: 2 bags of refuse and 1 bag of yard waste *(seasonal)* per week
- Utility Taxes: \$2,500 annual utility expenses *(gas, electric & telecommunications)*
- Vehicle Sticker: 2 vehicles
- Water & Sewer: 10,000 gallons of water consumption per month

Average Total Cost of Municipal Services per Household

COMMUNITY	PROPERTY TAXES	REFUSE	UTILITY TAXES	VEHICLE STICKER	WATER & SEWER	ANNUAL COST	COST PER DAY
Algonquin	\$1,069	\$470	\$92	\$0	\$801	\$2,432	\$6.66
Carpentersville	\$1,878	\$72	\$132	\$0	\$743	\$2,825	\$7.74
East Dundee	\$1,296	\$240	\$133	\$0	\$986	\$2,656	\$7.28
Elgin	\$1,693	\$299	\$133	\$0	\$999	\$3,124	\$8.56
Sleepy Hollow	\$1,132	\$260	\$133	\$30	\$1,334	\$2,889	\$7.92
West Dundee	\$1,483	\$0	\$125	\$0	\$717	\$2,325	\$6.37

The Village of West Dundee is proud to maintain not only the lowest overall Water and Sewer utility costs per household, but the lowest overall cost of municipal services per household overall. The comparison of costs is updated and reviewed each time the Village Board considers a potential adjustment to user fees or taxes, as a way to ensure that these costs remain reasonable for the residents and businesses of West Dundee.

Should you have any questions regarding the information provided herein, please feel free to contact Village Hall at 847-551-3800 or villagehall@wdundee.org.



Village of
West Dundee

Water & Sewer Rates as of May 1, 2019

Example billing costs for RESIDENTIAL Properties

Residential Water Rates

LEVEL 1	Up to 4,000 gallons	\$3.66 per 1,000 gallons
LEVEL 2	5,000-10,000 gallons	\$4.03 per 1,000 gallons
LEVEL 3	11,000-20,000 gallons	\$4.73 per 1,000 gallons
LEVEL 4	Over 20,000 gallons	\$4.88 per 1,000 gallons

Capital Improvements Fee

Usage to 10,000 gallons	\$15.45
Usage for 11,000 to 20,000	\$17.95
Over 20,000 gallons	\$20.45

Residential Sewer Rates

LEVEL 1	Up to 4,000 gallons	\$3.66 per 1,000 gallons
LEVEL 2	5,000-10,000 gallons	\$4.03 per 1,000 gallons
LEVEL 3	11,000-20,000 gallons	\$4.73 per 1,000 gallons
LEVEL 4	Over 20,000 gallons	\$4.88 per 1,000 gallons

Capital Improvements Unit Charge

For Additional Unit over 1	\$5.00 per Unit
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Distribution Charge

\$27.40

Consumption in Thousands of Gallons	Water & Sewer Charges Level 1	Water & Sewer Charges Level 2	Water & Sewer Charges Level 3	Water & Sewer Charges Level 4	Distribution Charge	Capital Improvements Fee*	Total Bill	Previous Bill FY18/19	Difference
0	\$ -				\$ 27.40	\$ 15.45	\$ 42.85	\$ 41.86	\$ 0.99
1	\$ 7.32				\$ 27.40	\$ 15.45	\$ 50.17	\$ 48.84	\$ 1.33
2	\$ 14.64				\$ 27.40	\$ 15.45	\$ 57.49	\$ 55.82	\$ 1.67
3	\$ 21.96				\$ 27.40	\$ 15.45	\$ 64.81	\$ 62.80	\$ 2.01
4	\$ 29.28				\$ 27.40	\$ 15.45	\$ 72.13	\$ 69.78	\$ 2.35
5	\$ 29.28	\$ 8.06			\$ 27.40	\$ 15.45	\$ 80.19	\$ 77.46	\$ 2.73
6	\$ 29.28	\$ 16.12			\$ 27.40	\$ 15.45	\$ 88.25	\$ 85.14	\$ 3.11
7	\$ 29.28	\$ 24.18			\$ 27.40	\$ 15.45	\$ 96.31	\$ 92.82	\$ 3.49
8	\$ 29.28	\$ 32.24			\$ 27.40	\$ 15.45	\$ 104.37	\$ 100.50	\$ 3.87
9	\$ 29.28	\$ 40.30			\$ 27.40	\$ 15.45	\$ 112.43	\$ 108.18	\$ 4.25
10	\$ 29.28	\$ 48.36			\$ 27.40	\$ 15.45	\$ 120.49	\$ 115.86	\$ 4.63
11	\$ 29.28	\$ 48.36	\$ 9.46		\$ 27.40	\$ 17.95	\$ 132.45	\$ 124.86	\$ 7.59
12	\$ 29.28	\$ 48.36	\$ 18.92		\$ 27.40	\$ 17.95	\$ 141.91	\$ 133.86	\$ 8.05
13	\$ 29.28	\$ 48.36	\$ 28.38		\$ 27.40	\$ 17.95	\$ 151.37	\$ 142.86	\$ 8.51
14	\$ 29.28	\$ 48.36	\$ 37.84		\$ 27.40	\$ 17.95	\$ 160.83	\$ 151.86	\$ 8.97
15	\$ 29.28	\$ 48.36	\$ 47.30		\$ 27.40	\$ 17.95	\$ 170.29	\$ 160.86	\$ 9.43
16	\$ 29.28	\$ 48.36	\$ 56.76		\$ 27.40	\$ 17.95	\$ 179.75	\$ 169.86	\$ 9.89
17	\$ 29.28	\$ 48.36	\$ 66.22		\$ 27.40	\$ 17.95	\$ 189.21	\$ 178.86	\$ 10.35
18	\$ 29.28	\$ 48.36	\$ 75.68		\$ 27.40	\$ 17.95	\$ 198.67	\$ 187.86	\$ 10.81
19	\$ 29.28	\$ 48.36	\$ 85.14		\$ 27.40	\$ 17.95	\$ 208.13	\$ 196.86	\$ 11.27
20	\$ 29.28	\$ 48.36	\$ 94.60		\$ 27.40	\$ 17.95	\$ 217.59	\$ 205.86	\$ 11.73
25	\$ 29.28	\$ 48.36	\$ 94.60	\$ 48.80	\$ 27.40	\$ 20.45	\$ 268.89	\$ 252.36	\$ 16.53
30	\$ 29.28	\$ 48.36	\$ 94.60	\$ 97.60	\$ 27.40	\$ 20.45	\$ 317.69	\$ 298.86	\$ 18.83
35	\$ 29.28	\$ 48.36	\$ 94.60	\$ 146.40	\$ 27.40	\$ 20.45	\$ 366.49	\$ 345.36	\$ 21.13
40	\$ 29.28	\$ 48.36	\$ 94.60	\$ 195.20	\$ 27.40	\$ 20.45	\$ 415.29	\$ 391.86	\$ 23.43
50	\$ 29.28	\$ 48.36	\$ 94.60	\$ 292.80	\$ 27.40	\$ 20.45	\$ 512.89	\$ 484.86	\$ 28.03
100	\$ 29.28	\$ 48.36	\$ 94.60	\$ 780.80	\$ 27.40	\$ 20.45	\$ 1,000.89	\$ 949.86	\$ 51.03
500	\$ 29.28	\$ 48.36	\$ 94.60	\$ 4,684.80	\$ 27.40	\$ 20.45	\$ 4,904.89	\$ 4,669.86	\$ 235.03

*Calculations are based upon single unit accounts