



## **Water Rate Frequently Asked Questions**

### **What does my water bill cover?**

Water/sewer fees charged to residents cover the cost of purchasing water from Evanston and operating the Village's water distribution and sewer systems. In addition to operational costs of providing these services, water bills also help fund much needed capital improvements, such as the replacement of water mains and damaged sewers.

### **What is the Village's water rate?**

The Village charges \$8.69 per 1,000 gallons of water. This rate has not increased since 2016, despite increases from the City of Chicago, which supplied water at the time. In addition to the water rate, residents are also charged \$1.00 per 1,000 gallons for sewer usage, \$3.15 per month to support capital improvements, \$0.38 per 1,000 gallons for debt service support (to repay bonds used for large construction programs) and a water meter fee of \$4.50 per bill for water meter maintenance and programming.

### **Why didn't my bill decrease when the Village switched water suppliers to Evanston?**

The Village's wholesale purchase rate did decrease from \$4.08 to \$1.60 with the switch to Evanston, however, the project to obtain Evanston water cost about \$12.7 million dollars. The annual debt service to pay for this is about \$700,000, over the next 20 years. Additionally, the Village's water system is very old, with many miles of water main installed in the early 1920s. These mains require replacement in order to ensure uninterrupted potable water is provided to residents for consumption, and for firefighting purposes. These improvements are anticipated to cost nearly \$40 million over the next ten years as part of the Infrastructure Improvement Plan. While the savings are being allocated for these important repairs, residential rates were able to remain frozen until the Village's fiscal year 2022, meaning residents were able to enjoy six years of frozen rates.

### **Why is the Village proposing a rate increase?**

When the decision was made to replace aging water mains and install the new transmission main to Evanston, the Village Board directed that rates be frozen until the 2023 budget. At that time, a study would need to be conducted to determine the ongoing operational and capital costs of the Water/Sewer Fund. If rates remain the same, the Village would not have the ability to make improvements to the water system that include replacement of 100 year old mains, replacement of aging water meters, and replacement of lead service lines. In fact, if rates remain frozen, the Water Fund revenues would be negative by 2024.

Providing safe, potable water is one of the primary functions of local governments. Water operations are heavily mandated and monitored by the Environmental Protection Agency and the Department of Natural Resources, which often implement requirements and mandates that increase the cost of operating the system

**Do my property taxes pay for water as well?**

No. The Water/Sewer Fund is an enterprise fund, meaning that the revenue received from water bill payments is the primary funding source for all expenses paid out of the Fund. Enterprise funds are highly regulated and restricted and are meant to be self-sustaining.

**Why do we need to replace old water mains and lead services?**

The Village's water system is made of primarily cast and ductile iron pipes. Over time, these pipes weaken and break which increases annual water loss, which the Department of Natural Resources requires to be under 10% of total water consumed each year. The Village is currently at about 13%. Water main breaks are also very expensive to repair. Additionally, water mains that have sat in the ground for a 100 years begin to build up sediment over time, leading, for example, a 6-inch pipe to be reduced down to a 3-inch pipe. This negatively impacts water pressure and the ability to fight fires.

For many years, the Village has been working with residents to eliminate lead services, due to the negative health impacts they can cause. Effective 2022, municipalities in Illinois are now required to replace all lead services within a certain period of time. This unfunded mandate is anticipated to cost approximately \$16 million dollars based on current inventories. Though this is a great public health initiative, it puts additional strain on the Water Fund.