



CITY OF JOLIET
DEPARTMENT OF PUBLIC UTILITIES
2009 BUSINESS PLAN

WATER & SEWER 2009



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Water & Sewer – Summary

- **Operations Costs Are Increasing**
- **Capital Investment Required**
 - EPA Mandates & Aging Infrastructure
- **Current Rates Lowest in Area**
 - Gaming Subsidy - No Longer Option
 - Tap-on Fees – 90% Revenue Drop
- **Proposed Rates Changes Comparable to Region**
 - Need to Cover Operations & Capital Requirements
- **Fee Schedules Need to Reflect Cost of Service**

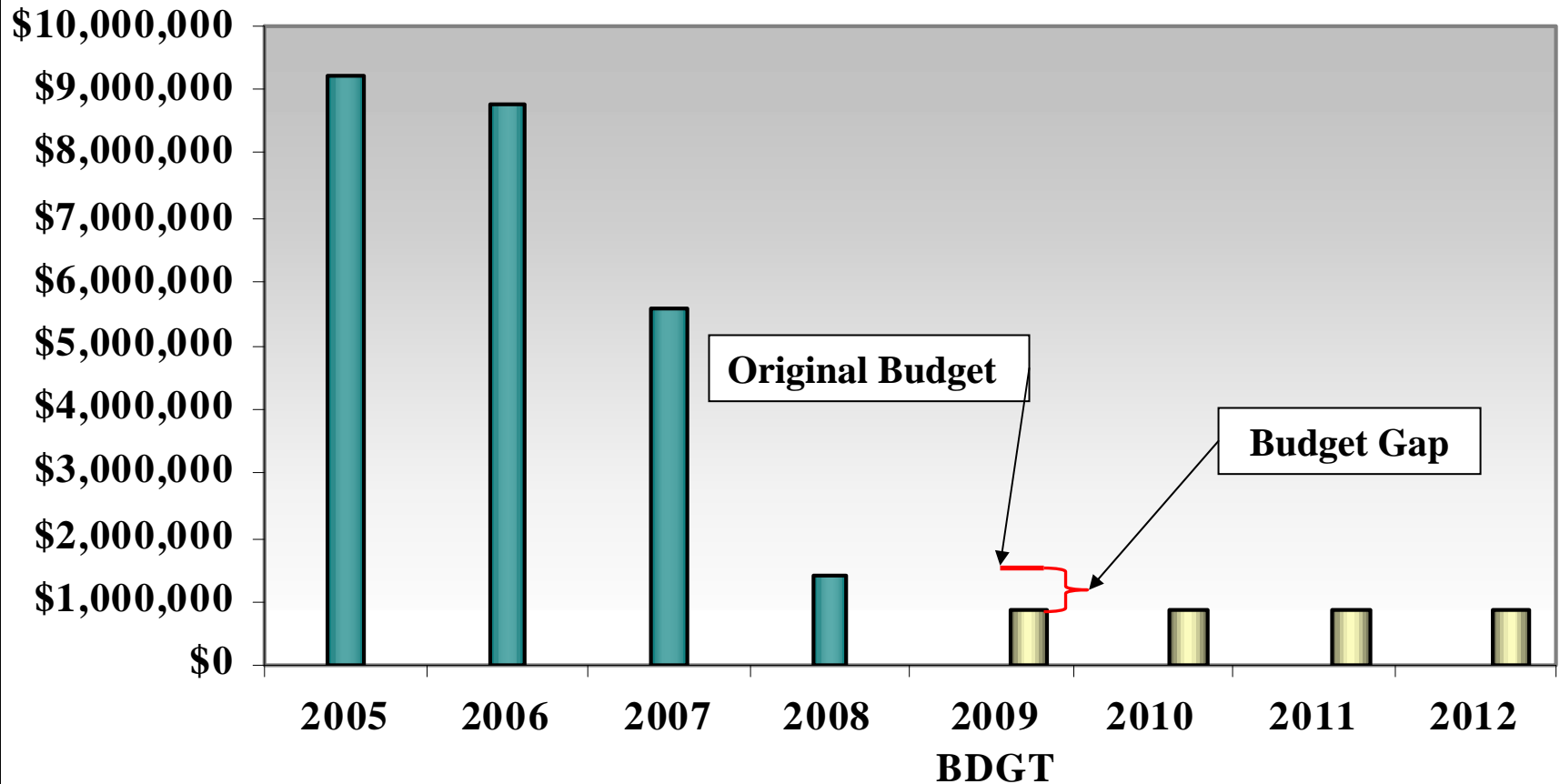
Enterprise Fund - Operations sustained thru Revenues & Fees Collected from Water & Sewer Use Customers



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Public Utilities Revenue Review

Tap-On Fees - Actual & Projected





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Water & Sewer Rate Proposals

City Manager Recommendation

- **Eliminate Daily Rebates**
 - **October 1, 2009**
- **Eliminate Sewer Separation Rebate**
 - **October 1, 2009**
- **35% Rate Increase (Water & Sewer)**
 - **October 1, 2009**
- **Increase Fees/Penalties to Cover Costs**
- **5% Annual Rate Increase (Water & Sewer)**
 - **Oct 1, 2010 & October 1, 2011**



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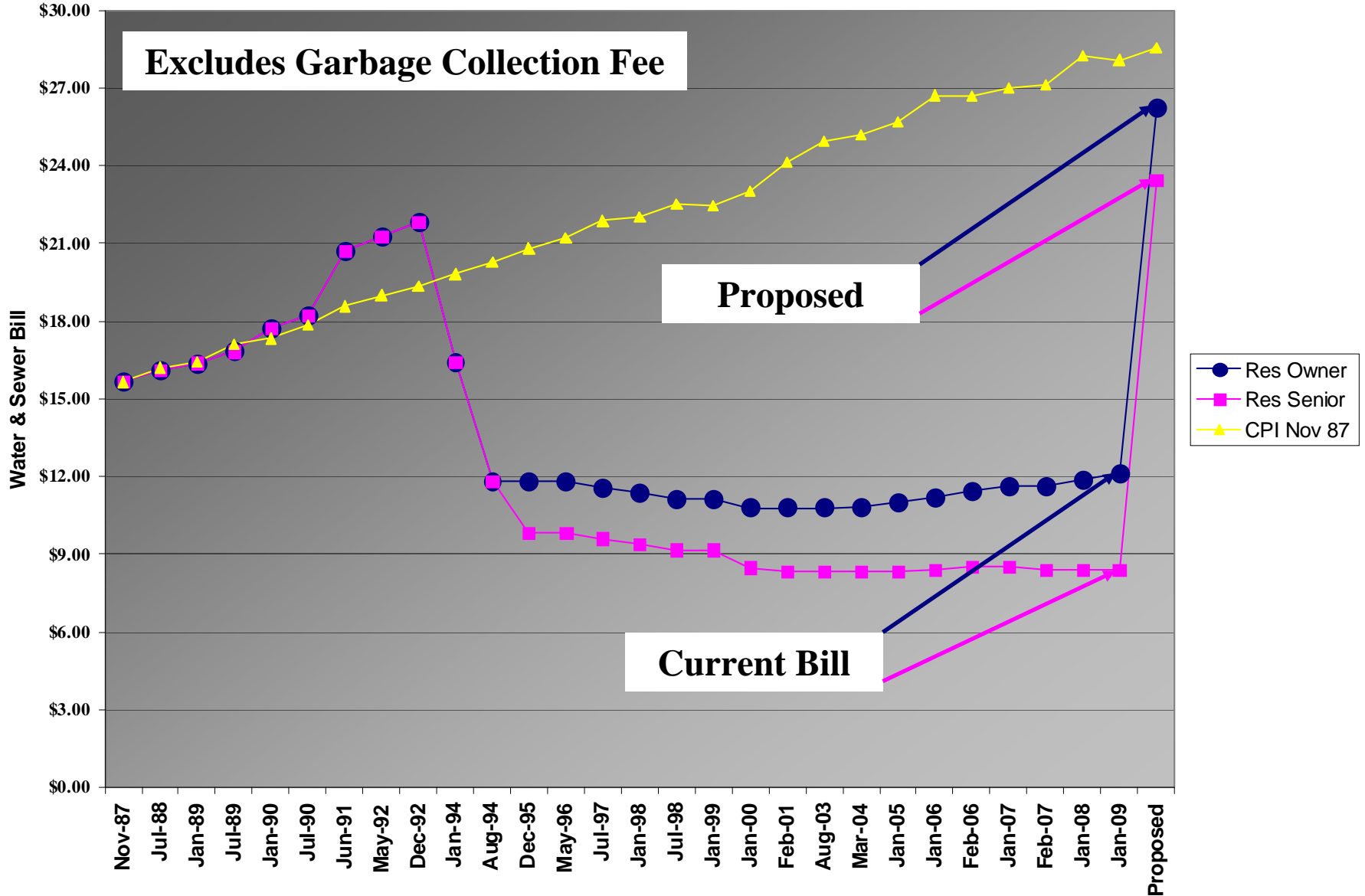
Water & Sewer Rate Proposal

- **Proposal Provides Discount To Sr. Citizens**
- **Joliet Senior Citizen Discount History**
 - **Daily Fee Rates Frozen Since 2003**
 - **Water Volume Rate Discount Since 2000**
 - **Sewer Volume Rate Frozen Since 2007**
- **Compared To 16 Other Communities**
 - **12 Offer NO Discounts To Senior Citizens**
 - **4 Offer Discounts Based On Use With Limits**



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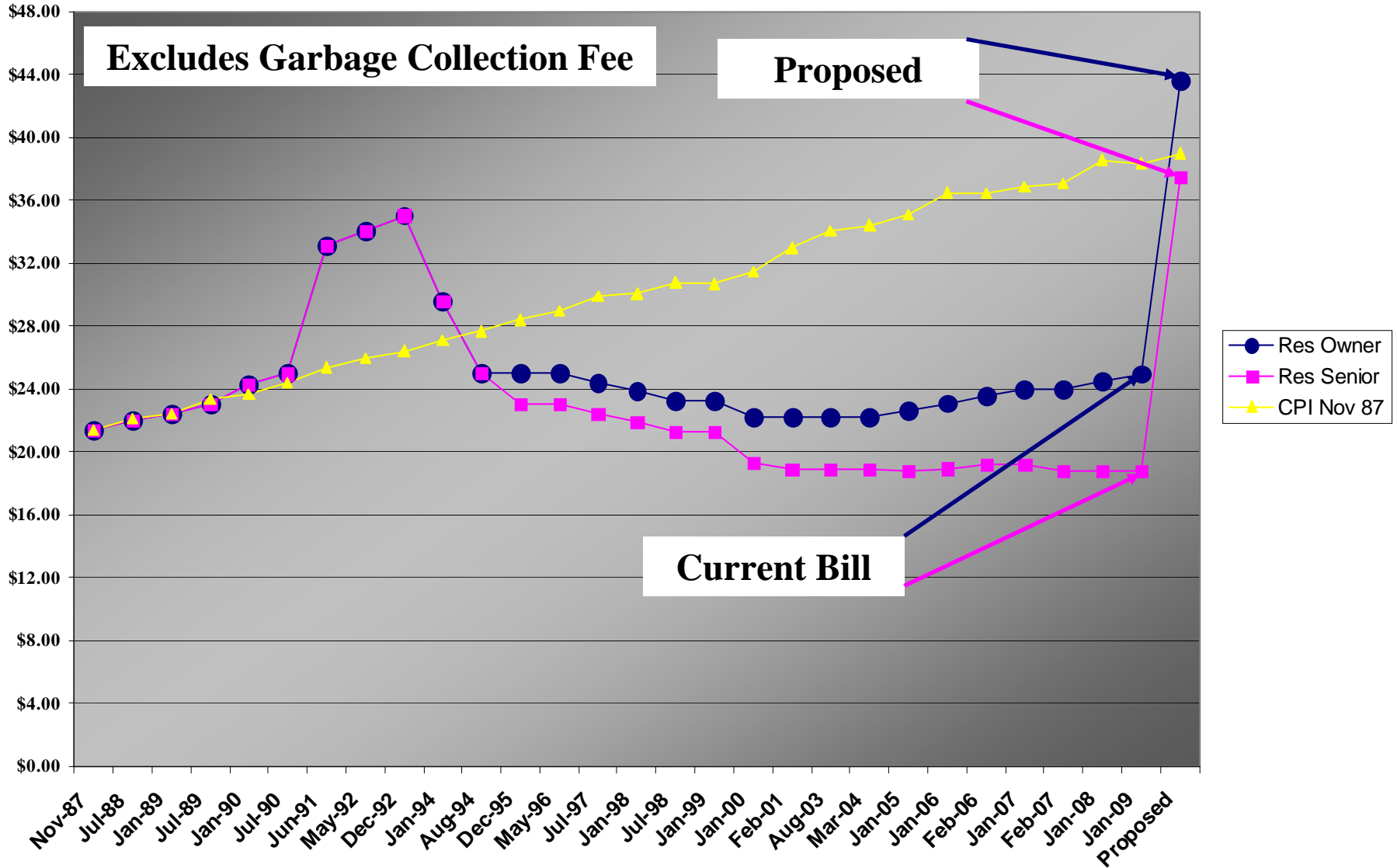
Water & Sewer Rate History Evaluation – 300 CF





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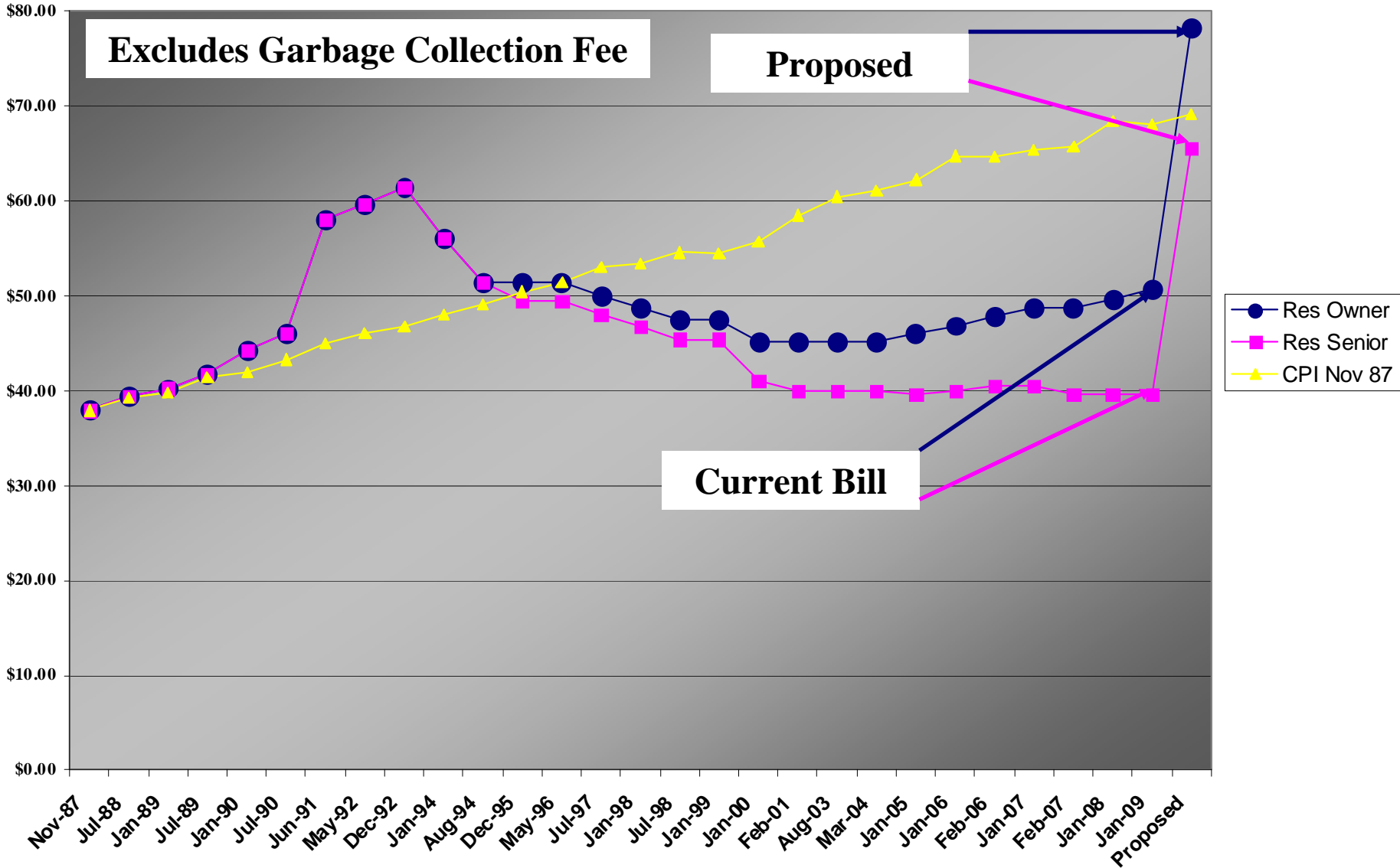
Water & Sewer Rate History Evaluation – 600 CF





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Water & Sewer Rate History Evaluation – 1,200 CF





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Water & Sewer Budget Evaluation

- **No Change To Rate and Fees**

	2009 Revised Budget	2010 Estimate	2011 Estimate	2012 Estimate
Prior Year Surplus	12,163,035	0	0	0
Revenues	<u>27,455,919</u>	<u>27,455,954</u>	<u>27,455,954</u>	<u>27,455,954</u>
<i>Total Cash</i>	39,618,954	27,455,954	27,455,954	27,455,954
<i>Less Expenses</i>	34,611,581	39,120,979	38,522,049	42,685,973
<i>Bond Reserves</i>	<u>7,636,823</u>	<u>0</u>	<u>0</u>	<u>0</u>
Annual Surplus /(Deficit)	(2,629,450)	(11,665,025)	(11,066,095)	(15,230,019)
<i>Four Year Surplus/ (Deficit)</i>				(40,590,589)



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Water & Sewer Budget Evaluation

- **Eliminate Rebates / 35% Increase to Rates**

	2009 Budget Estimate	2010 Estimate	2011 Estimate	2012 Estimate
Prior Yr Surplus	12,163,035	0	0	0
Revenues	<u>30,962,500</u>	<u>40,851,238</u>	<u>42,809,650</u>	<u>44,865,982</u>
<i>Total Cash</i>	43,125,535	40,851,238	42,809,650	44,865,982
<i>Less Expenses</i>	34,611,581	39,120,979	38,522,049	42,685,973
<i>Bond Reserves</i>	<u>7,636,823</u>	<u>0</u>	<u>0</u>	<u>0</u>
Annual Surplus/(Deficit)	877,131	1,730,259	4,287,601	2,180,009
<i>Four Year Surplus/ (Deficit)</i>				9,074,999



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Water & Sewer – Conclusion

- **Rate Change Necessary**
- **Proposed Changes In Line W/ Other Towns**
 - **Seniors Still Receiving Discount**
- **Capital Program Required**

Enterprise Fund - Operations sustained thru Revenues & Fees Collected from Water & Sewer Use Customers