

## WATER AND SEWER INFO

Watseka currently ranks 89<sup>th</sup> out of 95 communities in central Illinois for water and sewer rates. (95th being the community with the lowest rates)

Watseka has not been actively involved in operating the water and waste water treatment system for 18 years.

Over 70% of the City's underground piping is past its expected lifespan. Miles of water mains need replaced and upsized, miles of sanitary sewer need to be lined. All of which must be done to current EPA regulations. 30% of town still has combined storm and sanitary sewer that need to be separated.

The inevitable failure of a water well, water tower or the wastewater treatment plant would be a financial burden the City could not handle without borrowing money. Currently the City is paying off two bonds that total \$640,000 in annual payments. These bonds will be paid in 2027. How much more can we afford to borrow without affecting day to day operations of all other City services?

The **average** gallons used per month per household is 4900 gallons.

Water usage can be controlled by the user, fix leaky faucets and toilets, service and maintain water softeners, do full loads of laundry, run full loads through the dish washer.

The City is merely **maintaining** the water, sewer, and wastewater system right now. It is need of major rehabilitation which cannot be ignored. It requires major and immediate investment.

The City should be re-investing approximately \$1 million to \$1.5 million annually back onto the water, sewer and wastewater systems. Current rates basically cover our costs to maintain the system as is. They don't generate any revenue for improvements or upgrades.

The following are examples of estimated costs for improvements or upgrades (*these costs are from actual bid documents for the Jackson Avenue Construction Project which was completed in 2013*);

Installation of new 8" water main (*including fire hydrants, valves, water stops, residential services and restoration*) for one block - \$110,000.

Installation of new 12" sanitary sewer for one block (*includes pipe, manholes, services, and backfill material - does not include asphalt or restoration*) - \$62,000.

Lining of existing sanitary sewer for one block - \$31,000.

Installation of new asphalt for one block (*includes 4" of asphalt only - does not include any prep work, concrete work, or sub-grade work*) - \$58,000.

Installation of one fire hydrant (*does not include restoration*) - \$5,000.

No matter what the City does, sell the systems, keep our current arrangement, or operate it ourselves, water and sewer rates will increase significantly.

The water and sewer fund is projected to incur a deficit of \$200,000 this fiscal year.

To generate the funds necessary to rehabilitate the system rates need to increase to a minimum of \$77 to \$89 per month. This increase would take 2 to 3 years to generate enough funds to begin any type of major project. This presumes no major breakdowns requiring immediate repair.

Should the City decide to take over the two systems and manage them it would take over 2/3rds of the City's reserve funds for startup fees.

The State of Illinois is still considering withholding funds normally disbursed to local community's to balance the State budget. Wiping out the majority of our reserves would not be in the best interest of the City with the potential loss of State revenue.

The liability associated with the current systems outweighs the value of the assets some believe they are worth. Water mains are being patched, not replaced, sanitary sewers are prioritized and are slowly being lined, the wastewater treatment plant was last upgraded 20 years ago.

EPA loans require an engineered plan be in place before any loan is considered. Engineering can cost from tens of thousands to hundreds of thousands in fees. There is no guarantee of an EPA loan even with a plan in place.

If Aqua were to take possession of the water distribution system, the current water wells will remain in operation. Water will not be piped in from the Kankakee River.

Aqua can do the exact same projects as the City, with the same materials, for approximately 25% less cost.