

ORDINANCE NO. _____

Synopsis: Adoption of this ordinance will update portions of the Water and Sewer Rates Fee Schedule and will amend Section 54-134(a) of the City Code.

**AN ORDINANCE AMENDING THE CITY OF WASHINGTON WATER AND SEWER RATES, AND
AMENDING SECTION 54-134(a) OF THE CITY CODE**

WHEREAS, the City of Washington is a home rule government pursuant to the 1970 Illinois Constitution, Article VII, Section 6(a); and

WHEREAS, pursuant to its home rule power, the City of Washington may exercise any power and perform any function relating to its government and affairs including the power to regulate for the protection of the public health, safety, morals, and welfare; and

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON:

Section 1. The foregoing recitals are incorporated herein as findings of the City Council.

Section 2. That Section 54-134(a) of the City of Washington, Tazewell County, Illinois, be, and the same hereby is amended as follows:

Sec. 54-134. - Rates for city water service.

(a) The rates for city water service shall be as affixed from time to time by ordinance of the city council and as provided in the city fee schedule.

(1) From and after May 1, ~~2025~~ ~~2019~~ the flat rate for water service provided to residents of the city shall be as provided in the city fee schedule per 1,000 gallons of water used, as shown by the water meter readings. The rate shall apply to all water used beginning May 1, ~~2025~~, ~~2019~~.

(2) Notwithstanding subsection (a)(1) of this section, from and after May 1, 2019 the flat rate for water service provided to residents of the city determined to be qualified under the Illinois Circuit Breaker Program as administered by the state department of revenue, now known as the Illinois Department on Aging's Benefit Access Program, shall be 18 percent. The application of and eligibility for this rate shall be in accordance with subsection (j) of this section. The rate shall apply to all water used beginning May 1, 2019.

(3) Effective May 1, 2019, a monthly fixed fee shall be added to the volumetric/sewer flat charge. The rate shall be introduced over a five-year period beginning with an amount as provided in the city fee schedule in the first year, an additional \$4.00 in the second year, and additional \$3.00 in the third year, an additional amount as provided in the city fee schedule in the fourth year, and an additional an amount as provided in the city fee schedule in the fifth year. Effective May 1, 2025, the monthly fixed fee shall be as provided in the city fee schedule. Any senior citizen or circuit breaker discounts, as well as the nonresident surcharge are applicable to the monthly fixed fee.

(4) Notwithstanding anything herein to the contrary, the flat rate for water service provided to commercial water customers located in the Illinois American Water Company's, or its successors in interest, territory that utilizes a three inch or greater sized water meter upon its connection to the city's water service shall be an amount as provided in the city fee schedule per 1,000 gallons of water used, as shown by the water meter readings. The rate shall apply to all water used by applicable customers beginning May 1, 2022. The flat rate provided for herein shall be eligible for any discount and automatic increase identified in this section.

(5) The rates for water service described in subsections (1), (2), (3) and (4) of this section shall

automatically increase on ~~May 1, 2026 and annually through May 1, 2033, by 4 percent (4%)~~ May 1, 2019, and annually, each May 1 thereafter, by 2.5 percent or the Consumer Price Index for Water, Trash, and Sewer (CPI-W, T&S), whichever is greater, and rounded to the nearest hundredth percent. The rate of CPI-W, T&S shall be calculated annually on January 1 using the preceding 12-month period as measured by the U.S. Bureau of Labor Statistics. Effective May 1, 2019 and annually each May 1 thereafter, the automatic water service rate increase shall be applied on the June bill for May water usage.

Formatted: Strikethrough

Formatted: Strikethrough

Section 3. The City Fee Schedule for Water and Sewer Rates effective May 1, 2025, will be as shown on Attachment A to this Ordinance, subject to amendment from time to time by the City Council at its discretion.

Section 4. This Ordinance shall otherwise be in full force and effect from and after its passage and approval and publication as required by law.

Section 5. Any Section or provision of this Ordinance that is construed to be invalid or void shall not affect the remaining sections or provisions, which shall remain in full force and effect thereafter.

Section 6: That all ordinances or parts thereof in conflict herewith are hereby expressly repealed.

PASSED AND APPROVED THIS _____ day of _____, 2025.

AYES: _____

NAYS: _____

MAYOR

ATTEST:

CITY CLERK

Attachment A	
Infrastructure Fee	
Meter Size	Fee
5/8"	\$19.04
3/4"	\$19.04
1"	\$29.07
1 1/2"	\$54.14
2"	\$84.22
3"	\$179.47
4"	\$319.84
6"	\$705.87

Water System Improvement Projects

City of Washington,
IL

Committee of the Whole

April 7, 2025



November 11th Council Meeting Presentation Recap



Existing potable water infrastructure evaluated, and list of recommended improvements developed



City staff and council member weigh-in on prioritization of improvements and funding source per project



Raftelis Rate Study
&
IEPA Project Planning Report

Overview of Recommended Improvements

Construction Beginning 2026	Water Tower #3 & Cummings Lane Watermain (\$5.3M) Well #13 (\$1.5M)
Construction Beginning 2029	Route 24 Watermain (\$10.7M)
Multiple Projects Constructed on Yearly Basis	Southeast Area Watermain Improvements (\$8.9M) Sunnyland Water Service Redundancy (\$900,000) Bondurant Street Watermain Replacement (\$400,000) Misc. Treatment Plant Maintenance (\$100,000 Yearly)



City of Washington

Water Rate Study

April 7, 2025



Rate Study Process

- **Financial Plan:** How much revenue is needed overall?
- **Rate Design:** What is the best way to recover that revenue from different types of customers?

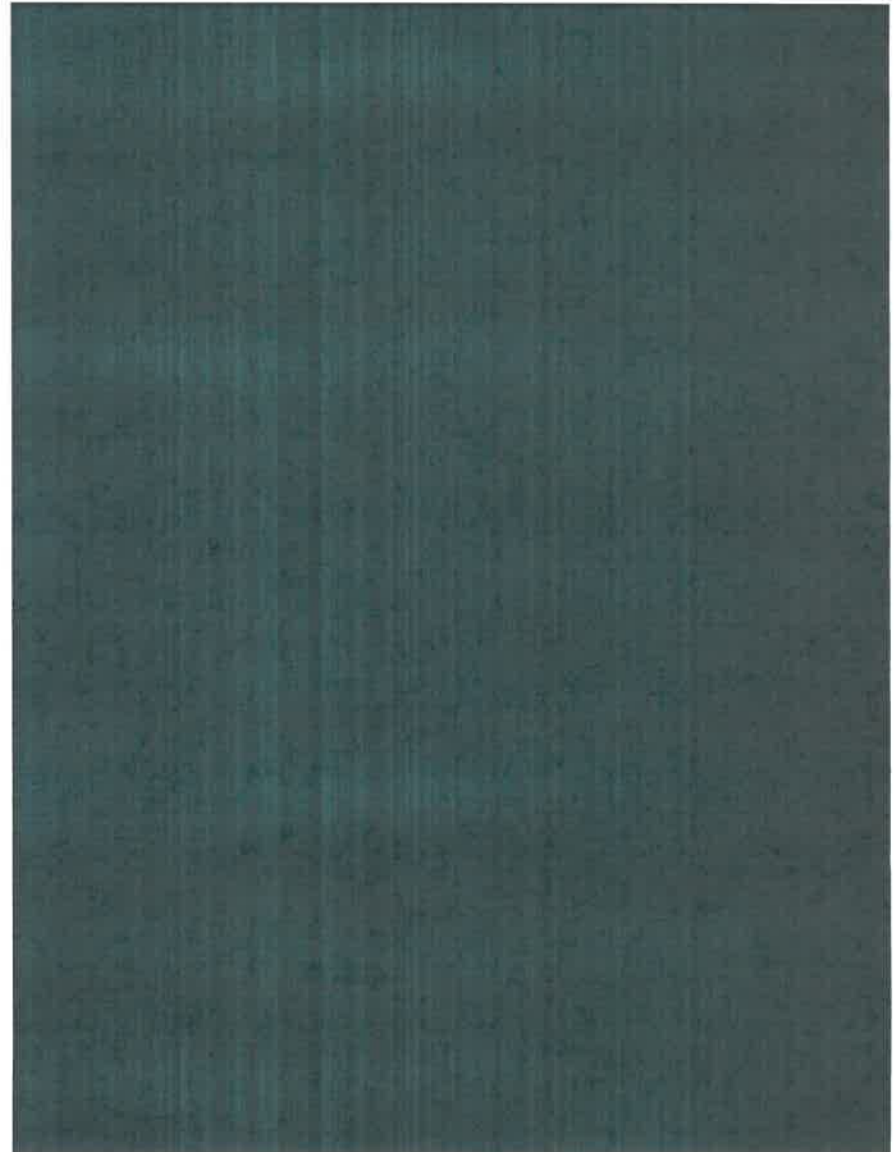


Financial Plan

Process

Time Horizon – FY 2025 to FY 2032

1. Project Revenues
2. Operating Costs
3. Capital Financing Plan
4. Revenue Adjustments for Financial Sustainability



Current Rates and Ordinance

Current Structure

Two fixed charges and a volumetric charge.

Discounts

Senior residents receive a 10% discount. Low-income residents receive an 18% discount.

Rate	Fee	
Infrastructure Fee	\$17.46	Per month
Technology Fee	\$3.85 or \$5.50	Per month
Volume Charge	\$5.47	Per 1,000 gallons

Current Rates and Ordinance

Automatic Increases

Rate ordinance includes automatic rate increase each year. Greater of 2.5% or Water/Sewer/Trash CPI component.

Water/Sewer/Trash CPI

Water/Sewer/Trash CPI component has increased about 5% the last two years. Estimated to increase at 4% in the future.

FY 2026 Proposed Rates

The proposed rates are **instead of** the automatic CPI increase that would be 5.2%.

Capital Financing Plan

✓	✓	✓	✓
Well 13 and Water Tower 3	Route 24 Watermain Relocation	Ongoing Watermain Repairs	Ongoing Treatment Plant Maintenance
\$6.8 million IEPA loan in 2026.	\$10.7 million G.O. bond in 2029.	\$550 thousand per year.	\$100 thousand per year.

Proposed Rates

Status Quo

An automatic rate increase this year would be **5.2%**.

FY 2026 Proposal

Instead of the automatic adjustment, increase rates for most customers by **9%**.

Fixed Charge by Meter Size

Charge a higher monthly Infrastructure Fee to customers with a larger water meter.

Proposed Infrastructure Fee

Meter Size	Current Fee	Proposed Fee
5/8"	\$17.46	\$19.04
3/4"	17.46	19.04
1"	17.46	29.07
1 ½"	17.46	54.14
2"	17.46	84.22
3"	17.46	179.47
4"	17.46	319.84
6"	17.46	705.87

Capacity

Customers with larger water meters place a higher demand on the water system.

Revenue

Increasing charges for larger meters will generate approximately \$80 thousand per year, equivalent to a 2.5% rate increase on all customers.



Volume Charge

The volume charge should increase by 9% to \$5.97 per 1,000 gallons.



Technology Fee

The monthly Technology Fee should remain unchanged at \$3.85 or \$5.50.

FY 2026 Bill Impact

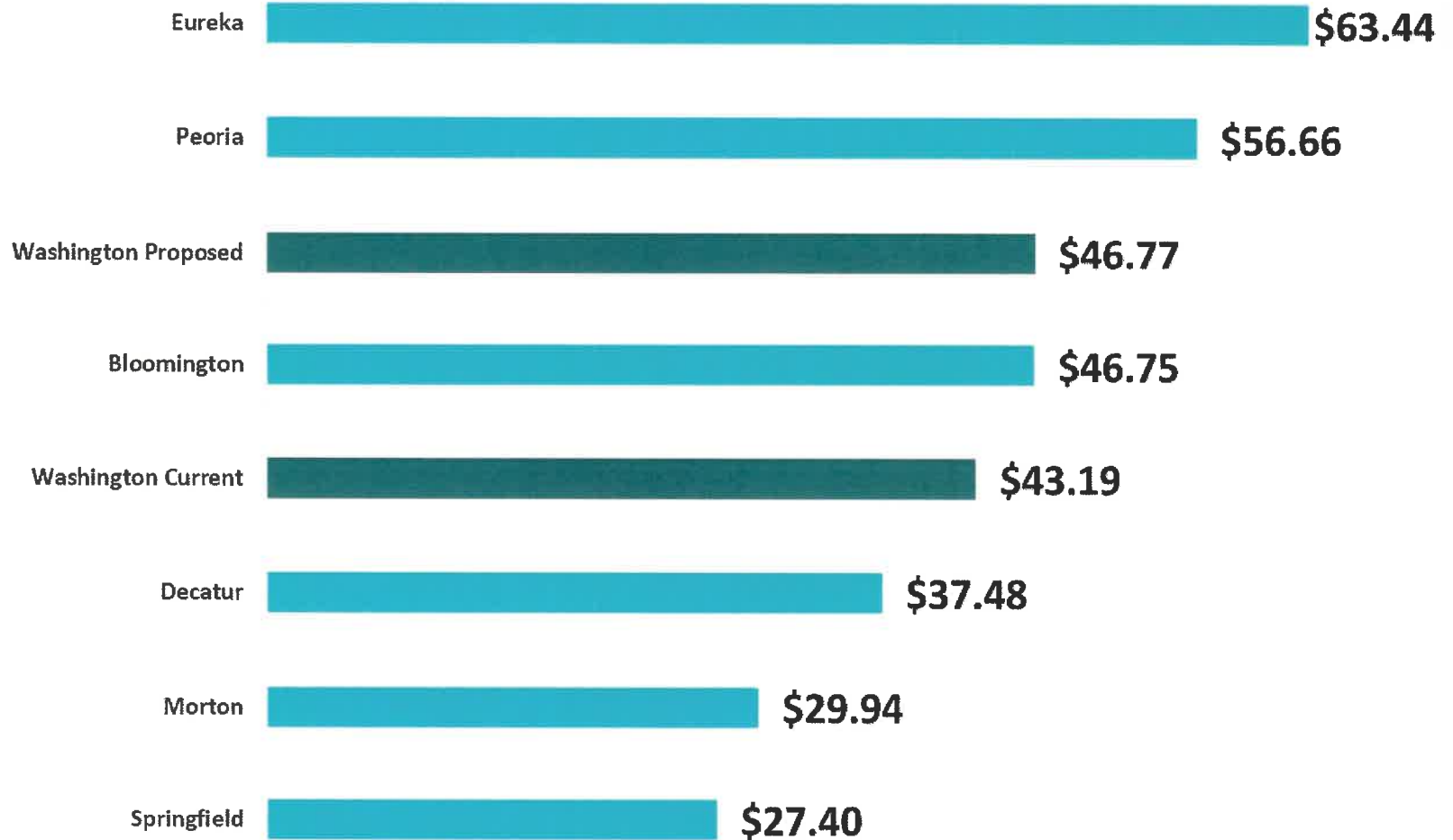
¾” Meter using 4,000 gallons per month

Charge	Current	Proposed	\$ Change	% Change
Infrastructure Fee	\$17.46	\$19.04	\$1.58	9.0%
Technology Fee	3.85	3.85	0.00	0.0%
Volumetric	21.88	23.88	2.00	9.1%
Total	\$43.19	\$46.77	\$3.58	8.3%

Bill Impacts

Comparison to Other Communities

Monthly cost for a residential customer using 4,000 gallons per month.



Q&A





Benefit of Illinois American

Rates

Illinois American pays the City's retail rates, which are higher than a dedicated wholesale rate would likely be.

Revenue

Approximately \$190 thousand per year.

Impact

Revenue offsets the need for rate increases on Washington residents. Without Illinois American, the City would need an additional 7% increase.

Description	2025 <i>Budget</i>	2026 <i>Forecast</i>	2027 <i>Forecast</i>	2028 <i>Forecast</i>	2029 <i>Forecast</i>	2030 <i>Forecast</i>	2031 <i>Forecast</i>	2032 <i>Forecast</i>
-------------	-----------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Additional Rate Revenue

Revenue								
Rate Revenue	\$ 3,050,405	\$ 3,389,504	\$ 3,555,644	\$ 3,697,870	\$ 3,845,785	\$ 3,999,616	\$ 4,159,601	\$ 4,325,985
Technology Fee	297,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000
Misc. Revenue	92,755	72,553	75,496	77,415	83,344	84,327	81,562	80,439
Total Revenue	\$ 3,440,160	\$ 3,757,056	\$ 3,926,140	\$ 4,070,285	\$ 4,224,129	\$ 4,378,943	\$ 4,536,163	\$ 4,701,424
Expenses								
Operating Expenses	\$ 1,793,633	\$ 1,903,383	\$ 1,979,518	\$ 2,058,699	\$ 2,141,047	\$ 2,226,689	\$ 2,315,756	\$ 2,408,387
Existing Debt Service	261,275	261,315	92,973	-	-	-	-	-
Future Meter Replacement Program				295,000	295,000	295,000	295,000	295,000
Proposed Debt Service	-	-	417,419	417,419	417,419	1,215,227	1,215,227	1,215,227
Rate Funded Capital	1,225,000	1,298,024	1,244,327	706,216	1,272,364	918,573	822,457	855,356
Total Expenses	\$ 3,279,908	\$ 3,462,722	\$ 3,734,237	\$ 3,477,334	\$ 4,125,830	\$ 4,655,488	\$ 4,648,440	\$ 4,773,969
Contribution to Reserves	\$ 160,252	\$ 294,334	\$ 191,903	\$ 592,951	\$ 98,299	\$ (276,545)	\$ (112,278)	\$ (72,545)
Beginning Balance	1,600,000	\$ 1,760,252	\$ 2,054,586	\$ 2,246,489	\$ 2,839,440	\$ 2,937,739	\$ 2,661,194	\$ 2,548,917
Ending Balance	\$ 1,760,252	\$ 2,054,586	\$ 2,246,489	\$ 2,839,440	\$ 2,937,739	\$ 2,661,194	\$ 2,548,917	\$ 2,476,372
<i>Target Balance</i>	<i>\$ 506,690</i>	<i>\$ 533,761</i>	<i>\$ 613,950</i>	<i>\$ 683,289</i>	<i>\$ 703,594</i>	<i>\$ 921,431</i>	<i>\$ 943,393</i>	<i>\$ 966,233</i>
Debt Service Coverage Ratio	6.30	7.09	3.81	2.82	2.92	1.43	1.47	1.52

WATER AND SEWER RATES
Usage As of May 1, 2025 - 9.0% increase for Water/5.2% incr. for Sewer
Including Fixed Rate Fee

		Single Meter	Dual Meters
Regular	Water per 1000 gallons	\$ 5.96	\$ 5.96
	Sewer per 1000 gallons	\$ 11.97	\$ 11.97
	Volumetric Charge per 1000	\$ 17.93	\$ 17.93
	Water Fixed Fee per Account	\$ 19.04	\$ 19.04
	Sewer Fixed Fee per Account	\$ 5.99	\$ 5.99
	Technology Fee	\$ 3.85	\$ 5.50
Senior Citizen/ Disabled	Water per 1000 gallons	\$ 5.36	\$ 5.36
	Sewer per 1000 gallons	\$ 10.77	\$ 10.77
	Volumetric Charge per 1000	\$ 16.13	\$ 16.13
	Water Fixed Fee per Account	\$ 17.14	\$ 17.14
	Sewer Fixed Fee per Account	\$ 5.39	\$ 5.39
	Technology Fee	\$ 3.85	\$ 5.50
Circuit Breaker	Water per 1000 gallons	\$ 4.89	\$ 4.89
	Sewer per 1000 gallons	\$ 9.82	\$ 9.82
	Volumetric Charge per 1000	\$ 14.71	\$ 14.71
	Water Fixed Fee per Account	\$ 15.61	\$ 15.61
	Sewer Fixed Fee per Account	\$ 4.91	\$ 4.91
	Technology Fee	\$ 3.85	\$ 5.50
Non-Resident	Water per 1000 gallons	\$ 7.15	\$ 7.15
	Sewer per 1000 gallons	\$ 14.36	\$ 14.36
	Volumetric Charge per 1000	\$ 21.51	\$ 21.51
	Water Fixed Fee per Account	\$ 22.85	\$ 22.85
	Sewer Fixed Fee per Account	\$ 7.19	\$ 7.19
	Technology Fee	\$ 3.85	\$ 5.50
Beck's Car Wash	Water per 1000 gallons	\$ 6.69	
	Water Fixed Fee per Account (4" in.)	\$ 319.84	
	Technology Fee	\$ 3.85	
Sewer Flat Rates	Regular	\$ 70.38	
	Fixed Fee	\$ 5.99	
		\$ 76.37	per month
	Senior Citizen/Disabled	\$ 32.81	
	Fixed Fee	\$ 5.39	
		\$ 38.20	per month
	Circuit Breaker	\$ 26.85	
	Fixed Fee	\$ 4.91	
		\$ 31.76	per month
	Non-Resident	\$ 96.34	
	Fixed Fee	\$ 7.19	
		\$ 103.53	per month