

INFORMATION PAPER

Public Utilities Department
December 27, 2022

SUBJECT: Water & Sewer Rates

1. Purpose: To provide a high level overview of the City of Joliet's Water & Sewer Rates

2. Facts:

- a. The Department of Public Utilities has identified significant capital improvements that are required to maintain and improve the water and sewer system to provide reliable service to our customers.
- b. Revenue to support these improvements and overall system operation is generated through collection of water and sewer user fees.
- c. In 2019, the City's rate model was reviewed and updated. Three years of rate increases were approved by the City Council. These rate increases were 10.5% for water and 3% for sewer to be effective annually on 11/1/19, 11/1/20 and 11/1/21. In July 2022, the City Council approved extending these rate increases for one additional year. This rate increase took effect on 11/1/22.
- d. The proposed increases allow the department to meet reserve targets of 90 Days O&M plus debt service reserve deposits and 1.35x Debt Service Coverage (DSC).
- e. Even after the approved rate increases are implemented, Joliet's rates remain competitive within the region. See Exhibit A.
- f. Future increases are anticipated to fund additional projects, most significantly the Alternative Water Source Program.
- g. In 2023, the City will conduct a Comprehensive Water & Sewer Rate Study that will evaluate the City's water & sewer rates, fees for services and connection fees. It is anticipated that the results of the study and recommended rate increases will be presented to the City Council in Summer 2023.

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Submitted To: Jim Capparelli, 12/27/22

Enclosures:
Exhibit A Residential Bill
Comparison

Exhibit A Residential Bill Comparison

