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MEMORANDUM

TO: Carie Anne Ergo, Village Administrator
FROM: Jennifer Mitchell, Finance Director
DATE: October 9, 2024
SUBJECT: Water and Sewer Rate Study Report for FY 2025 – FY 2029

RECOMMENDED MOTION: Move to waive Second Reading and Accept the Water and Sewer Rate Study Report for FY 2025 – FY 2029 and Approve Alternative 4.

INTRODUCTION

On November 7, 2023, the Village Board approved a Professional Service Agreement with Stanley Consultants for the preparation of a comprehensive Water and Sewer Rate Study for FY 2025 – FY 2029. The purpose of the study was to review the existing capital improvement program, fund balance policy, and rate structure and recommend alternatives that would ensure the long-term sustainability of the Water and Sewer Fund while minimizing the impact on residents. At the June 18, 2024 Village Board meeting, Stanley Consultants presented the rate structure alternatives for Village Board discussion and direction. Following discussion, the Village Board reached a consensus to proceed with Alternative 4.

DISCUSSION

Attached, please find a resolution accepting the Water and Sewer Rate Study Report for FY 2025 – FY 2025 and approving Alternative 4. The ordinance effectuating Alternative 4 as presented in the study will be brought to the Village Board for approval prior to the end of the year.

ATTACHMENT

1. Resolution Accepting the Water and Sewer Rate Study Report for FY 2025 – FY 2029 and Approving Alternative 4
2. Water and Sewer Rate Study Report for FY 2025 – FY 2029 dated September 27, 2024



Stanley Consultants INC.

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Water and Sewer Rate Study Report

Village of Itasca, Illinois

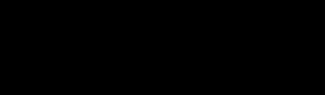
Final
September 27, 2024



Deliverable: Water and Sewer Rate Study Report
Project: Water and Sewer Rate Study
Client: Village of Itasca
Location: Itasca, Illinois

Submittal: Final
Date: September 27, 2024

Prepared by: Michael Colby, PE
Reviewed by: Larry Thomas, PE
Jay Brady, PE
Contributor(s): Lena Varley, EIT
Ben Jolkovsky, EIT

I hereby certify that this report was prepared by me or under my direct personal supervision and that I am duly registered under the laws of the State of Illinois.		
Michael Colby		
Name	Signature	
9/27/2024	062072749	11/30/2025
Date	Registration Number	Expiration Date

Professional Seal:



Executive Summary

This report presents the results of the 2024 Water and Sewer Rate Study for the Village of Itasca for a study period extending from the present through Fiscal Year 2029 (April 30, 2029).

The rate study analyzed and estimated the revenues and expenses for the Water and Sewer Utility without any rate increases. Rates have been frozen by the Village since January 1, 2022. The analysis determined that the combined Utility fund balances will decrease from a current positive balance of \$6.71 million at the end of FY2024 to a balance of only \$0.54 million at the end of FY2029: an average annual balance decline of over one million dollars per year. This demonstrates that the current combined water and sewer charges are not in excess of the utility's requirements.

To address the projected reserve balance decline, three rate adjustment options were presented to increase the Utility's revenue to partially compensate for the increasing operational and capital expenses. A fourth alternative that does not increase revenue was also evaluated. In developing these options, several guidelines were utilized including:

1. The volumes of water purchased and sold will remain static.
2. The rate of inflation for the purchase of commodities and services will be 3% annually for the study period.
3. Capital projects will proceed as previously approved. Options will be considered with the Northside Infrastructure Project removed from the Water and Sewer Capital Fund.
4. Increase the Operating Fund minimum balance goal from the equivalent of 45 days of operating funds to 90 days.
5. A minimum balance of \$2,000,000 will be maintained in the Water and Sewer Capital Fund.
6. Sewer use charges will be increased at a faster rate than water use charges to better balance revenues with expenditures for the two separate operations.
7. Fixed charges will be increased at a faster rate than volume charges to move a greater portion of the revenue to a fixed monthly amount rather being variable and dependent on volume usage.

The primary options considered in this study are as follows:

- » Alternative 1: Five percent annual rate increase for all rates in accordance with the current effective ordinance. Rates for FY2025 are frozen in line with recent Village Board action. The water and sewer improvements portions of the Northside Infrastructure Project are funded with this alternative.
- » Alternative 2: Zero percent rate increase for all rates through FY2029. The water and sewer portions of the Northside Infrastructure Project are funded with this alternative.
- » Alternative 3: Increase the sewer rates faster than the water rates to better match the ratio of water to sewer expenses. The water and sewer portion of the Northside Infrastructure Project are excluded with this alternative.
- » Alternative 4: Increase the sewer rates faster than the water rates to better match the ratio of water to sewer expenses. The water and sewer portion of the Northside Infrastructure Project are funded with this alternative.

The cost impact on a monthly basis to a typical family using an average of 4,000 gallons per month in Itasca for each option is presented in Table ES-1.

Table ES-1: Typical Family Monthly Water and Sewer Costs

Alternative	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	\$135	\$135	\$142	\$149	\$157	\$165
2	\$135	\$135	\$135	\$135	\$135	\$135
3	\$135	\$135	\$136	\$137	\$139	\$140
4	\$135	\$135	\$139	\$143	\$147	\$151

All of the options, except for Alternative 2, are designed to generate sufficient revenue for the Water and Sewer Utility to meet the guidelines described above.

These four alternatives were presented to the Village Board. The Board expressed preference for Alternative 4 as it accomplishes the established goals of maintaining 45 days of operating reserves in the Water and Sewer Operating Fund, \$2 - \$3 million in the Water and Sewer Capital Fund, and fully funds the upcoming phases of the Northside Infrastructure Project without collecting excess revenue from the rate payers.

The Village’s fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026. No rate increase is proposed for Fiscal Year 2025. Once rate increases begin on May 1, 2025 (FY2026), the average monthly cost for the typical residential customer is estimated to increase by approximately 2.7% annually. The proposed rate design based on Alternative 4 in is listed below in Tables ES-2, ES-3, ES-4, and ES-5.

Table ES-2: Proposed Water Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.93	\$12.93	\$13.12	\$13.32	\$13.52	\$13.72

Table ES-3: Proposed Sewer Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.36	\$12.36	\$12.85	\$13.37	\$13.90	\$14.46

Table ES-4: Proposed Water Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1”	\$15.77	\$15.77	\$16.08	\$16.41	\$16.73	\$17.07
1.25” and 1.5”	\$23.66	\$23.66	\$24.13	\$24.62	\$25.11	\$25.61
2”	\$31.54	\$31.54	\$32.17	\$32.81	\$33.47	\$34.14
3”	\$47.31	\$47.31	\$49.20	\$51.17	\$52.22	\$55.34
4”	\$63.08	\$63.08	\$65.60	\$68.22	\$70.95	\$73.79
6”	\$94.62	\$94.62	\$98.40	\$102.34	\$106.43	\$110.69
8”	\$126.16	\$126.16	\$131.20	\$136.45	\$141.91	\$147.58
10”	\$157.69	\$157.69	\$164.00	\$170.56	\$177.38	\$184.48
12”	\$189.23	\$189.23	\$208.16	\$228.97	\$251.87	\$277.06

Table ES-5: Proposed Sewer Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1"	\$18.51	\$18.51	\$19.07	\$19.64	\$20.23	\$20.83
1.25" and 1.5"	\$27.77	\$27.77	\$28.60	\$29.46	\$30.34	\$31.25
2"	\$37.02	\$37.02	\$38.13	\$39.28	\$40.45	\$41.67
3"	\$55.53	\$55.53	\$58.86	\$62.39	\$66.14	\$70.11
4"	\$74.04	\$74.04	\$78.48	\$83.19	\$88.18	\$93.48
6"	\$111.06	\$111.06	\$117.73	\$124.79	\$132.28	\$140.21
8"	\$148.08	\$148.08	\$156.97	\$166.39	\$176.37	\$186.95
10"	\$185.10	\$185.10	\$196.21	\$207.98	\$220.46	\$233.69
12"	\$222.13	\$222.13	\$244.34	\$268.77	\$295.65	\$325.21

Figure ES-1 shows the projected Water and Sewer Operating Fund and Capital Fund balances for the five-year study period. The figure shows that the proposed rates successfully maintain the 45-day operating fund and at least \$2 million in the Water and Sewer Capital Fund.

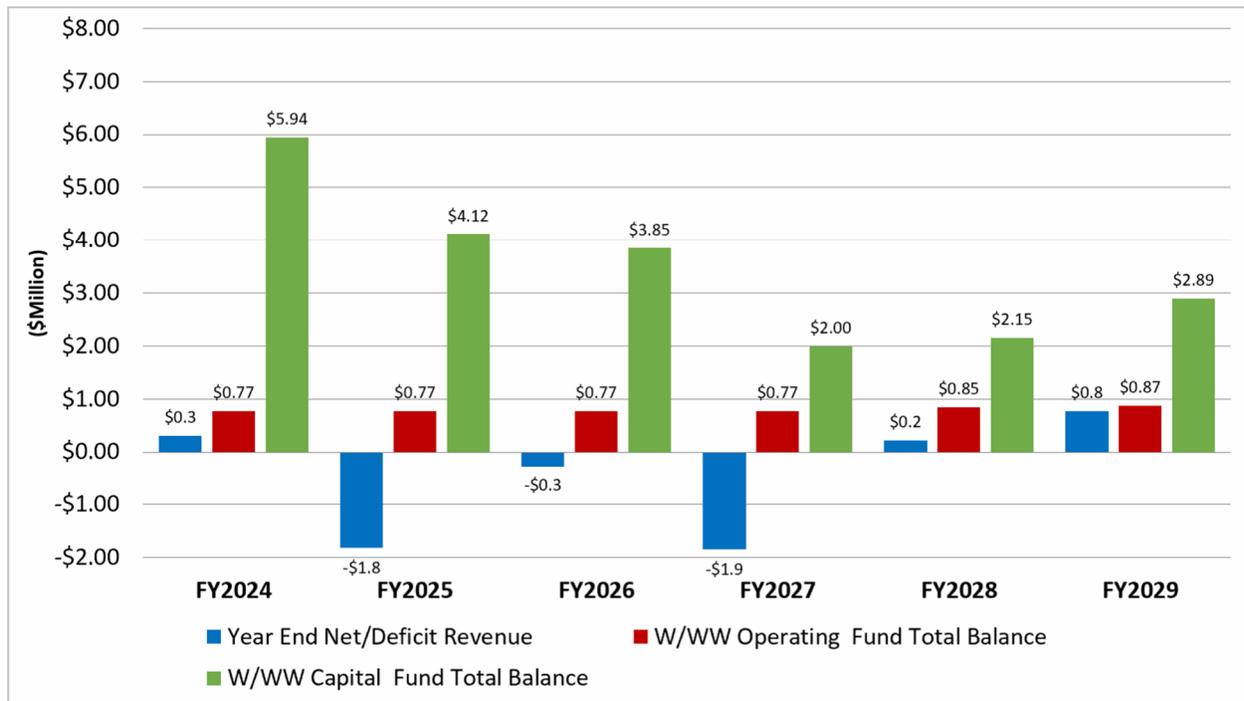


Figure ES-1: Projected Utility Fund Results with Proposed Rates

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Section 1 Introduction

This report presents the results of the 2024 Water and Sewer Rate Study for the Village of Itasca (Village) Water and Sewer Utility (Utility) located in DuPage County, Illinois. This Water and Sewer Rate Study includes an evaluation of the current water and sewer rate structure and a cost-of-service rate analysis to determine rate adjustments necessary to properly fund the Utility using fair and equitable water and sewer rates. This report will present the initial rate design options presented to the Village Board, direction received from the Board, and the selected rate design.

The Utility accounts for its revenues and expenses separately as a self-supported enterprise “Water and Sewer Fund”. An enterprise fund assesses charge for services provided. The revenue obtained by the Utility stays in the enterprise fund to pay for the Utility’s operation, maintenance, and capital financing expenses, although at times there may be transfers to and from other Village funds for shared services. The enterprise fund is budgeted and accounted for separately from the Village’s Corporate Fund. The Village maintains separate water and sewer operating and capital funds.

The Village purchases water from the DuPage Water Commission (DWC) which supplies Lake Michigan water treated by the City of Chicago. The Village subsequently distributes the water to its customers through a network of water mains, storage facilities, and pumping stations. The Village’s Water Utility is responsible for the distribution of water received from DWC and for the operation and maintenance of the conveyance and storage system. The Village’s Sewer Utility is responsible for collecting wastewater in the sanitary sewer system and conveying it for processing at the Village’s wastewater treatment plant.

The Water and Sewer Fund finances the following major activities:

- » Water purchases from the DuPage Water Commission
- » Water distribution system operations and maintenance
- » Wastewater collection and treatment system operations and maintenance
- » General obligation bonds and State Revolving Loan repayments assigned to the Utility.
- » Water distribution, and wastewater collection and treatment capital improvement projects

The recommended rates are developed based on a cost-of-service analysis. The cost-of-service rate analysis approach determines the total cost to operate the utilities, including both operating and capital costs, and then divides the total cost by the billing quantities (volume of water billed and number of connections) to determine the unit rates.

1.1 Rate Analyses Spreadsheets

Four rate increase options are presented in this rate study report. Appendix A contains the water and sewer rate analyses spreadsheets for the final selected rate design option, which is Alternative 4.

The text in this report follows the rate development tables in Appendix A closely and explains points of interest and/or assumptions as they occur. The rate analyses spreadsheets document the billing quantities, revenues, and expenses for the Utility for past Fiscal Years 2020-2023, budget Fiscal Year 2024, and projected Fiscal Years 2025 through 2029. The spreadsheets also document the rate design for projected

Fiscal Years 2025 through 2029. The Village’s fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

1.2 Existing Water and Sewer Rate Structure

Appendix B provides the existing Water and Sewer Utility rate ordinance and fee schedule. The basic components of the existing rate schedules include:

- » A uniform flow charge, based on water meter readings, for water usage.
- » A uniform flow charge, based on water meter readings, for sewer usage.
- » A monthly fixed water user charge for all customers based on water service line size.
- » A monthly fixed sewer user charge for all customers based on water service line size.

1.3 Data Sources

Background information for this study was obtained from the Village’s annual financial reports, annual budgets, bond repayment schedules, and communications with the Public Works and Finance Departments staffs.

Section 2 Philosophical Water and Sewer Rate Issues

This section summarizes the major philosophical issues which significantly influence the water and sewer rate study. Fundamental philosophical issues built into the current water rate structure were evaluated for applicability to the Utility's current customer base.

2.1 Water User Volume Rate

The water volume rate, per the relevant Village ordinance, is a uniform rate per volume metered structure. A uniform rate structure means the cost per volume remains the same regardless of the volume of water used. The uniform rate structure is based on the concept that all users pay the same amount for the water used regardless of either user classification or volume. This structure encourages conservation by larger water users because of the excessive cost of being wasteful. The water user volume charge collects revenue required to purchase water and to operate the water distribution system. The current water usage charge is \$12.93 for 1,000 gallons metered.

A detailed review of the Village's Water and Sewer Fund revenues and expenses shows that the water system incurs approximately 40% of the Fund's expenses. Current water rates generate approximately 50% of the Fund's revenue.

2.2 Sewer User Volume Rate

The sewer volume rate is also a uniform rate structure. Sewer user volume charges for a customer are based on their water meter readings. The sewer user volume charge collects revenue required to operate and maintain the wastewater collection and treatment system. The current sewer user volume rate is \$12.36 per 1,000 gallons metered.

A detailed review of the Village's Water and Sewer Fund revenues and expenses shows that the sewer system incurs approximately 60% of the Fund's expenses. This is in large part due to the operation, maintenance, and capital expenses associated with the wastewater treatment facility. Current sewer rates generate approximately 50% of the Fund's revenue.

2.3 Water and Sewer Users Service Line Charge

In addition to the volume charges, customers of the water and sewer systems are assessed a monthly fee based on their water service line size to partially compensate the Utility for the costs of providing water and sewer services to the property. The monthly service line fees for water and sewer users are summarized in Table 2-1.

Table 2-1: Current Monthly Service Line Charges (approved May 2023)

Water Service Line Size	Water User Service Line Charge	Sewer User Service Line Charge
Up to 1”	\$15.77	\$18.51
1.25” – 1.5”	\$23.66	\$27.77
2”	\$31.54	\$37.02
3”	\$47.31	\$55.53
4”	\$63.08	\$74.04
6”	\$94.62	\$111.06
8”	\$126.16	\$148.08
10”	\$157.69	\$185.10
12”	\$189.23	\$222.13

2.4 Fund Balance

Many capital improvements are anticipated over the next several years. While actual annual capital improvement expenses will vary from year to year, a somewhat uniform distribution of expenses over the years is very desirable from a rate stability standpoint. To stabilize rates while allowing for the fluctuation of capital improvement expenditures, a healthy Utility fund balance is required.

A positive fund balance is built on unspent funds from prior years that are available to serve as working capital when revenues are not sufficient. As of April 30, 2023, the Utility operating and capital funds cash-on-hand balances are approximately \$2.29 million and \$4.12 million, respectively. Based on our analysis, with current rates, the fund’s annual net revenue will be negative starting in 2025. The fund will be substantially depleted by 2029 if rates are not increased. This report presents a five-year plan to cover expenses and maintain a minimum positive cash balance of at least 45 days of operating expenses in the Water and Sewer Operating Fund and between \$2 million to \$3 million in the Water and Sewer Capital Fund.

During the rate study process, changing the finance policy from 45 days of required operating reserve to 90 days of required operating reserves was considered. While a 90-day operating fund reserve is common amongst public utility systems, this change was not recommended as a part of this study because the Village maintains additional reserves in the Water and Sewer Capital Fund and a separate reserve in the General Fund. The total combined amount of these reserves is sufficient without the need to increase the required Water and Sewer Fund Operating reserves.

2.5 Initial Rate Structure Recommendations

Major philosophical water and sewer rate issues were evaluated during this rate study. These issues have varying financial impacts on different customer groups. The guiding principle when considering philosophical issues is to determine the “fair and equitable” charge for the services that each customer

receives. Based on our review of the current rate structure we believe it already conforms to the “fair and equitable” test. We do not have any recommendations for changing the Village’s rate structure.

Some minor changes to rates that were considered included:

- » Decreasing the water and sewer volume rates and simultaneously increasing the service line rates to better reflect the Utility’s operating expenses and capital expenses financing payments, respectively.
- » Increasing the sewer rates at a faster rate than the water rates to better reflect that approximately 60% of the operating expenses are attributed to the sewer system. Currently, revenue into the fund is generated approximately equally between the water and sewer rates.

Section 3 Billing Quantities, Revenue, and Expenses

Tables A1 through A3 in Appendix A contain the water and sewer billing quantities spreadsheets that were prepared for this study. Billing volumes quantify the amount of service provided by the Utility to its customers. The billing quantities break down into the number of accounts and the volume of water used.

All customers, residential and commercial, are billed monthly. The Utility does not have any customer classes for billing purposes.

3.1 Number of Accounts

Table A1 in Appendix A presents the total number of water and sewer service accounts. For the purposes of this study, the number of customers is anticipated to be stable through the study period. Table A3 presents the total number of meters sorted by meter size within the Utility.

3.2 Volume

Table A2 in Appendix A presents the total volume of metered water supplied (in units of 1,000 gallons) to water utility customers.

Water usage for customers has remained relatively constant over the past four years. Therefore, the projected water volume sales are conservatively assigned zero escalation.

The total annual billable volume is projected to be 411 million gallons in Fiscal Year 2025. The amount of water purchased from DWC is assumed to be approximately 14.6% higher than the total billable volume to account for non-revenue water, which includes leaks in the water system and any water usage which does not generate revenue (such as firefighting and system flushing). The amount of non-revenue water is projected to remain constant during the five-year study period.

3.3 Revenues and Expenses

Tables B1 through B5 in Appendix A contain the revenue and expense spreadsheets prepared for this study.

3.3.1 Present Rates

Table B1 in Appendix A presents the present rates for the Utility including the fixed water and sewer charges per account and the volume charges. These rates are multiplied by the billing quantities identified in Tables A1, A2, and A3 to determine revenues from present rates in Table B2.

3.3.2 Revenues from Present Rates

Table B2 in Appendix A presents Utility revenues using the present water and sewer rates. The revenues are summarized into three major categories, charges for services, other revenues, and capital revenue. Charges for services are the major revenue source for the Utility. Charges for services represent the revenues generated from monthly billings of customers for fixed charges and volume charges. The projected charges for services revenue are calculated by multiplying the projected billing quantities previously identified multiplied by the present rates in Table B1.

Other revenues include interest income, fines and forfeitures, and miscellaneous revenue. The assumed inflation rate for other revenue is 1% annually.

Bond proceeds vary depending on the Capital Improvement Plan for each year and plans for the sale of bonds. Any bond proceeds received in a fiscal year is assumed to be spent in the same fiscal year, as shown in Table B4.

3.3.3 Operating Expenses

Table B3 in Appendix A presents annual operating expenses for the Utility. Operating expenses are those operation and maintenance (O&M) expenses that occur while providing water and sewer service to the Utility's customers. The Utility's operating expenses are summarized into five categories, personnel services, administrative commodities, contractual services, operational commodities, and water purchases. An annual increase of 3% for most expenses is applied throughout the study period to account for inflation. Salaries are projected to increase at varying rates, 3.0% for administrative staff, 4.0% for operations staff to account for steps and lanes promotions, and 0.0% for Village Board salaries. An annual 3.0% increase is projected for the cost of water purchases from DWC throughout the study period.

Depreciation is not included with the operating expenses because depreciation does not represent actual cash flow. Operating expenses also do not include debt service and capital expenditures which are accounted for separately.

3.3.4 Capital Financing

Table B4 in Appendix A presents the projected capital financing expenses for the Utility. Capital financing expenses include those expenses that are required for significant repairs and improvements to Utility facilities. Capital financing expenses are summarized into three major categories, debt service, capital outlays from revenue, and capital outlays from bond proceeds.

Debt Services are agreements into which the Utility enters to finance large capital improvements. The Utility has two outstanding bond debts that were issued in 2022 to fund capital projects, including the Northside Infrastructure Project. Future bond issuances or loans are expected in FY2026 and FY2028 to fund future phases of the Northside Infrastructure Project. The debt service for these bonds is projected to have the same loan conditions as the Series 2022B bond.

In addition to projects funded by bond proceeds, the Utility also plans to pay for other smaller projects directly from Utility revenue. The Village's Capital Improvement Plan identifies capital projects through 2029 to be funded with Utility revenue.

3.3.5 Projected Operating Results with Present Rates

Table B5 in Appendix A presents the operating results with Utility's existing rates and currently planned rate increases of 5% each year. This table summarizes the billing quantities, revenues, operating expenses, and capital financing previously discussed.

Figure 3-1 illustrates the projected revenue and expenses with present rates and no rate increases. This scenario represents Alternative 2. Revenues and operating expenses fluctuate over the next five years

depending on planned capital expenses. However, total expenditures consistently exceed total revenues starting in FY2025.

Figure 3-2 illustrates the projected annual deficits and available fund balance through Fiscal Year 2029 with present rates. The Utility is expected to face annual deficits starting in FY2025 if rates are not increased. The total capital fund balance is projected to decrease from positive \$5.94 million in FY2024 to negative \$0.23 million in FY2029.

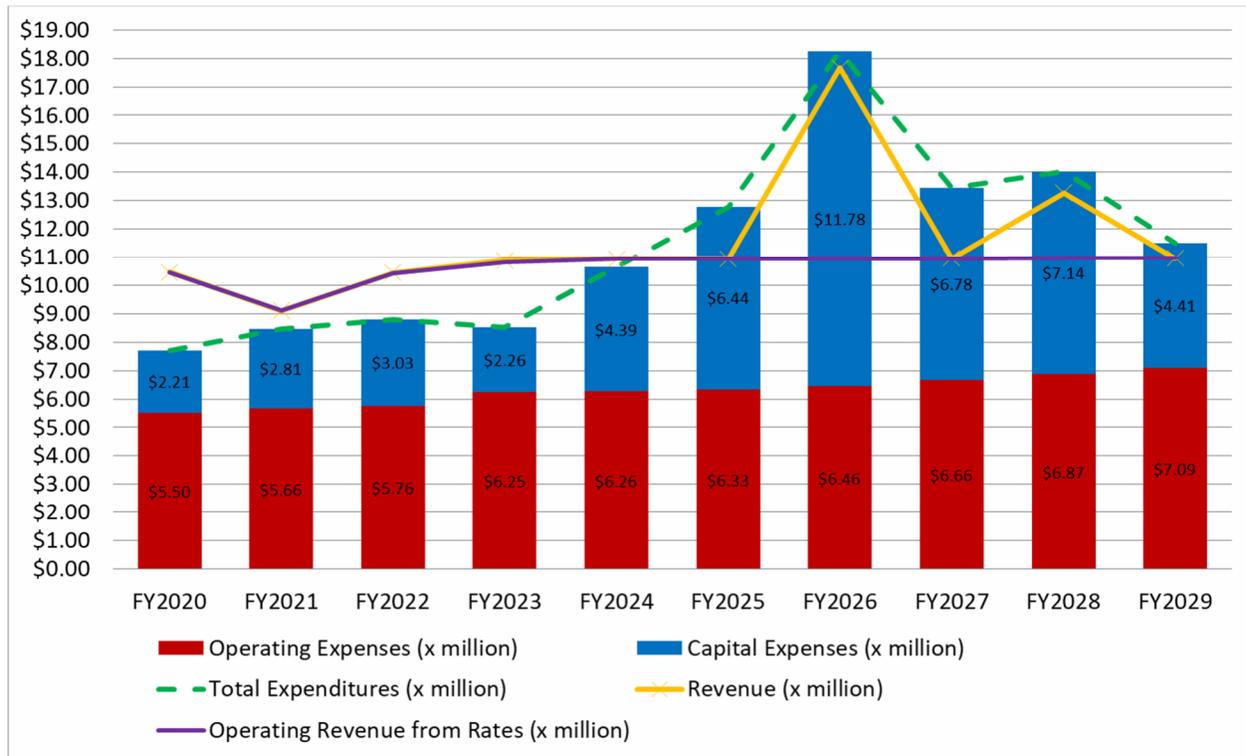


Figure 3-1: Projected Operating Results with Existing Rates without Increase

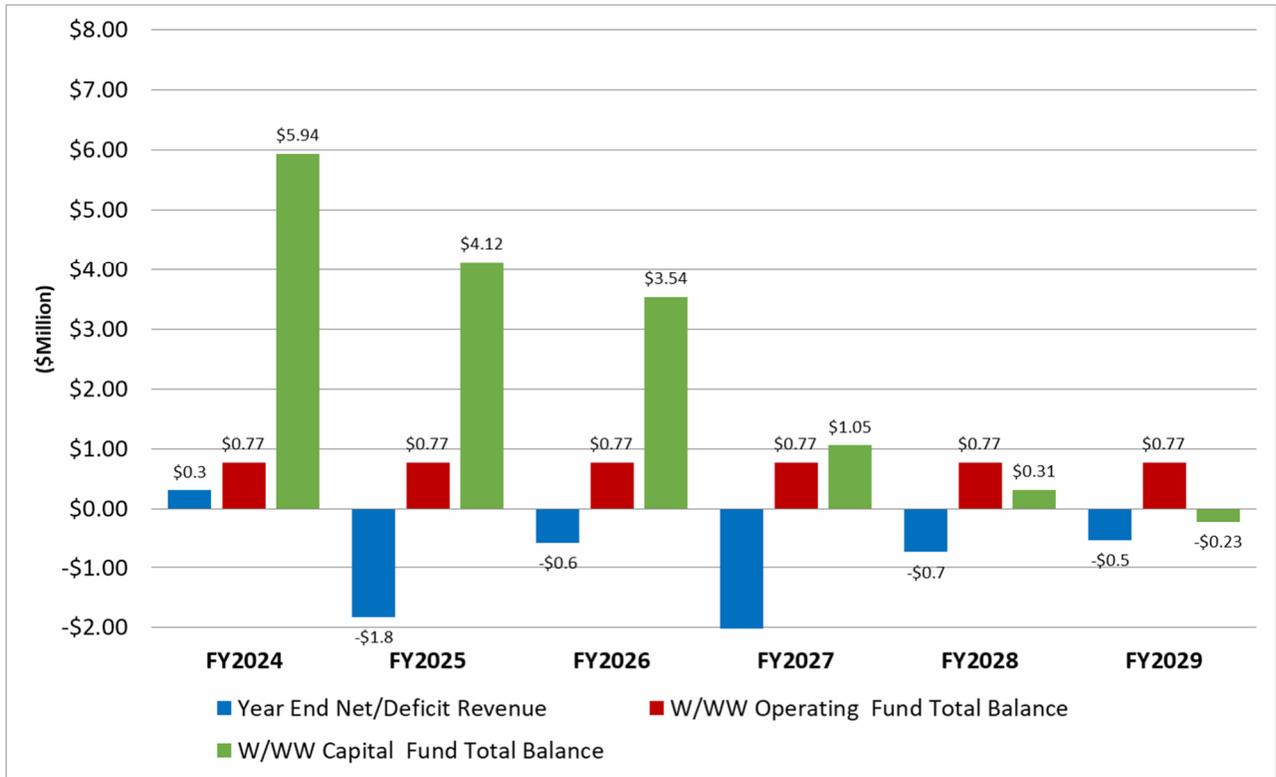


Figure 3-2: Projected Utility Funds Results with Existing Rates without Increase

Section 4 Rate Design

4.1 Goals

Several goals have been established for this rate study. These goals guide the rate design and recommendation that is outlined in this section. The goals for this rate study are:

- » Collect sufficient revenue to properly operate, maintain, and renew the Village’s water and sewer infrastructure.
- » Design water and sewer rates to adequately fund necessary expenses, without overcharging.
- » Increase proportion of revenue generated by sewer charges to better match distribution of expenses.
- » Maintain 45 days of operating reserves in the Water and Sewer Operating Fund.
- » Maintain \$2 - \$3 million of reserves in the Water and Sewer Capital Fund to cover any unexpected costs that arise in any upcoming capital project.

4.2 Alternatives

Four rate design alternatives were evaluated as a part of this study.

- » Alternative 1: Five percent annual rate increase for all rates per current effective ordinance. Rates for FY2025 are frozen per recent Village Board action. The water and sewer portions of the Northside Infrastructure Project are funded with this alternative.
- » Alternative 2: Zero percent rate increase for all rates through FY2029. The water and sewer portions of the Northside Infrastructure Project are funded with this alternative.
- » Alternative 3: Increase the sewer rates faster than the water rates to better match the ratio of water to sewer expenses. The water and sewer portion of the Northside Infrastructure Project are excluded with this alternative.
- » Alternative 4: Increase the sewer rates faster than the water rates to better match the ratio of water to sewer expenses. The water and sewer portion of the Northside Infrastructure Project are funded with this alternative.

Tables A1 through C5 in Appendix A contain the rate design spreadsheets that were prepared for Alternative 4, the final selected option. The tables estimate the impacts of implementing proposed water and sewer rates in Fiscal Years 2025 through 2029. The methodology presented in the tables in Appendix A is the same for all four alternatives.

4.3 Proposed Rates – Alternative 1: Status Quo 5% Rate Increases

Annual rate increases of 5.0% for all existing charges are proposed in Fiscal Years 2026 through 2029. This alternative shows the projected outcome if no Village Board action is taken and a previously enacted ordinance requiring a five percent annual rate increase is left in effect. The Village’s fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

Table 4-1: Alternative 1 Proposed Water Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.93	\$12.93	\$13.58	\$14.26	\$14.97	\$15.72
-	+0.0%	+5.0%	+5.0%	+5.0%	+5.0%

Table 4-2: Alternative 1 Proposed Sewer Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.36	\$12.36	\$12.98	\$13.63	\$14.31	\$15.02
	+0.0%	+5.0%	+5.0%	+5.0%	+5.0%

Table 4-3: Alternative 1 Proposed Water Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1"	\$15.77	\$15.77	\$16.56	\$17.39	\$18.26	\$19.17
1.25" and 1.5"	\$23.66	\$23.66	\$24.84	\$26.09	\$27.39	\$28.76
"Small" Service Line Proposed Increase	-	+0.0%	+5.0%	+5.0%	+5.0%	+5.0%
2"	\$31.54	\$31.54	\$33.12	\$34.77	\$36.51	\$38.34
3"	\$47.31	\$47.31	\$49.67	\$52.16	\$54.77	\$57.50
4"	\$63.08	\$63.08	\$66.23	\$69.54	\$73.02	\$76.67
6"	\$94.62	\$94.62	\$99.35	\$104.31	\$109.53	\$115.01
8"	\$126.16	\$126.16	\$132.46	\$139.09	\$146.04	\$153.34
10"	\$157.69	\$157.69	\$165.58	\$173.86	\$182.55	\$191.68
12"	\$189.23	\$189.23	\$198.70	\$208.63	\$219.06	\$230.01
"Large" Service Line Proposed Increase	-	+0.0%	+5.0%	+5.0%	+5.0%	+5.0%

Table 4-4: Alternative 1 Proposed Sewer Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1"	\$18.51	\$18.51	\$19.44	\$20.41	\$21.43	\$22.50
1.25" and 1.5"	\$27.77	\$27.77	\$29.15	\$30.16	\$32.14	\$33.75
"Small" Service Line Proposed Increase	-	+0.0%	+5.0%	+5.0%	+5.0%	+5.0%
2"	\$37.02	\$37.02	\$38.87	\$40.82	\$42.86	\$45.00
3"	\$55.53	\$55.53	\$58.31	\$61.22	\$64.28	\$67.50
4"	\$74.04	\$74.04	\$77.74	\$81.63	\$85.71	\$90.00
6"	\$111.06	\$111.06	\$116.62	\$122.45	\$128.57	\$135.00
8"	\$148.08	\$148.08	\$155.49	\$163.25	\$171.43	\$180.00
10"	\$185.10	\$185.10	\$194.36	\$204.08	\$214.28	\$225.00
12"	\$222.13	\$222.13	\$233.23	\$244.89	\$257.14	\$269.99
"Large" Service Line Proposed Increase	-	+0.0%	+5.0%	+5.0%	+5.0%	+5.0%

Rate increases are anticipated to be implemented at the beginning of each fiscal year starting in May 2025.

These rates are multiplied by the billing quantities identified in Tables A1, A2, and A3 in Appendix A to estimate water and sewer charge revenues from proposed rates.

4.4 Proposed Rates – Alternative 2: Freeze Water and Sewer Rates

This alternative presents the option to not increase water or sewer rates over the next five years. This alternative is evaluated to provide a comparison against the other proposed alternatives.

Table 4-5: Alternative 2 Proposed Water Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.93	\$12.93	\$12.93	\$12.93	\$12.93	\$12.93
	+0.0%	+0.0%	+0.0%	+0.0%	+0.0%

Table 4-6: Alternative 2 Proposed Sewer Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.36	\$12.36	\$12.36	\$12.36	\$12.36	\$12.36
	+0.0%	+0.0%	+0.0%	+0.0%	+0.0%

Table 4-7: Alternative 2 Proposed Water Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1”	\$15.77	\$15.77	\$15.77	\$15.77	\$15.77	\$15.77
1.25” and 1.5”	\$23.66	\$23.66	\$23.66	\$23.66	\$23.66	\$23.66
“Small” Service Line Proposed Increase	-	+0.0%	+0.0%	+0.0%	+0.0%	+0.0%
2”	\$31.54	\$31.54	\$31.54	\$31.54	\$31.54	\$31.54
3”	\$47.31	\$47.31	\$47.31	\$47.31	\$47.31	\$47.31
4”	\$63.08	\$63.08	\$63.08	\$63.08	\$63.08	\$63.08
6”	\$94.62	\$94.62	\$94.62	\$94.62	\$94.62	\$94.62
8”	\$126.16	\$126.16	\$126.16	\$126.16	\$126.16	\$126.16
10”	\$157.69	\$157.69	\$157.69	\$157.69	\$157.69	\$157.69
12”	\$189.23	\$189.23	\$189.23	\$189.23	\$189.23	\$189.23
“Large” Service Line Proposed Increase	-	+0.0%	+0.0%	+0.0%	+0.0%	+0.0%

Table 4-8: Alternative 2 Proposed Sewer Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1”	\$18.51	\$18.51	\$18.51	\$18.51	\$18.51	\$18.51
1.25” and 1.5”	\$27.77	\$27.77	\$27.77	\$27.77	\$27.77	\$27.77
“Small” Service Line Proposed Increase	-	+0.0%	+0.0%	+0.0%	+0.0%	+0.0%
2”	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02	\$37.02
3”	\$55.53	\$55.53	\$55.53	\$55.53	\$55.53	\$55.53
4”	\$74.04	\$74.04	\$74.04	\$74.04	\$74.04	\$74.04
6”	\$111.06	\$111.06	\$111.06	\$111.06	\$111.06	\$111.06
8”	\$148.08	\$148.08	\$148.08	\$148.08	\$148.08	\$148.08
10”	\$185.10	\$185.10	\$185.10	\$185.10	\$185.10	\$185.10
12”	\$222.13	\$222.13	\$222.13	\$222.13	\$222.13	\$222.13
“Large” Service Line Proposed Increase	-	+0.0%	+0.0%	+0.0%	+0.0%	+0.0%

4.5 Proposed Rates – Alternative 3: Increase Sewer Rates Faster than Water Rates and Northside Infrastructure Project Funding Excluded

Alternative 3 increases the water volume and fixed charges slightly and the corresponding sewer charges to a higher degree. The sewer charges are increased more than the water charges to increase the proportion of revenue generated by sewer charges compared to water charges to better represent the 60:40 ratio of expenses between the sewer system and water system, respectively. The portion of the cost of the upcoming phases Northside Infrastructure Project that is assigned to the Water and Sewer Fund is assumed to instead be funded by other means in this alternative. This shows the impact of the Northside Infrastructure Project on water and sewer rates by comparison with Alternative 4.

Table 4-9: Alternative 3 Proposed Water Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.93	\$12.93	\$12.99	\$13.06	\$13.12	\$13.19
	+0.0%	+0.5%	+0.5%	+0.5%	+0.5%

Table 4-10: Alternative 3 Proposed Sewer Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.36	\$12.36	\$12.48	\$12.61	\$12.73	\$12.86
	+0.0%	+1.0%	+1.0%	+1.0%	+1.0%

Table 4-11: Alternative 3 Proposed Water Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1"	\$15.77	\$15.77	\$15.85	\$15.93	\$16.01	\$16.09
1.25" and 1.5"	\$23.66	\$23.66	\$23.78	\$23.90	\$24.02	\$24.14
"Small" Service Line Proposed Increase	-	+0.0%	+0.5%	+0.5%	+0.5%	+0.5%
2"	\$31.54	\$31.54	\$31.70	\$31.86	\$32.01	\$32.17
3"	\$47.31	\$47.31	\$47.78	\$48.26	\$48.74	\$49.23
4"	\$63.08	\$63.08	\$63.71	\$65.35	\$64.99	\$65.64
6"	\$94.62	\$94.62	\$95.56	\$96.52	\$97.48	\$98.46
8"	\$126.16	\$126.16	\$127.42	\$128.69	\$129.98	\$131.28
10"	\$157.69	\$157.69	\$159.27	\$160.86	\$162.47	\$164.10
12"	\$189.23	\$189.23	\$191.13	\$193.04	\$194.97	\$196.92
"Large" Service Line Proposed Increase	-	+0.0%	+1.0%	+1.0%	+1.0%	+1.0%

Table 4-12: Alternative 3 Proposed Sewer Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1"	\$18.51	\$18.51	\$18.70	\$18.88	\$19.07	\$19.26
1.25" and 1.5"	\$27.77	\$27.77	\$28.04	\$28.32	\$28.61	\$28.89
"Small" Service Line Proposed Increase	-	+0.0%	+1.0%	+1.0%	+1.0%	+1.0%
2"	\$37.02	\$37.02	\$37.39	\$37.76	\$38.14	\$38.52
3"	\$55.53	\$55.53	\$56.64	\$57.77	\$58.93	\$60.11
4"	\$74.04	\$74.04	\$75.52	\$77.03	\$78.57	\$80.15
6"	\$111.06	\$111.06	\$113.28	\$115.55	\$117.86	\$120.22
8"	\$148.08	\$148.08	\$151.05	\$154.07	\$157.15	\$160.29
10"	\$185.10	\$185.10	\$188.81	\$192.58	\$196.43	\$200.36
12"	\$222.13	\$222.13	\$226.57	\$231.10	\$235.72	\$240.44
"Large" Service Line Proposed Increase	-	+0.0%	+2.0%	+2.0%	+2.0%	+2.0%

4.6 Proposed Rates – Alternative 4: Increase Sewer Rates Faster than Water Rates and Northside Infrastructure Project Funding Included

Alternative 4 increases the water volume and fixed charges slightly and the corresponding sewer charges to a higher degree, like Alternative 3. However, unlike Alternative 3, funding for future phases of the Northside Infrastructure Project is included in the future expense projections for the Water and Sewer Fund. This leads to higher rate increases in order to generate the revenue to fund the project.

Table 4-13: Alternative 4 Proposed Water Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.93	\$12.93	\$13.12	\$13.32	\$13.52	\$13.72
	+0.0%	+1.5%	+1.5%	+1.5%	+1.5%

Table 4-14: Alternative 4 Proposed Sewer Volume Rates (Per 1,000 Gallons)

Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
\$12.36	\$12.36	\$12.85	\$13.37	\$13.90	\$14.46
	+0.0%	+4.0%	+4.0%	+4.0%	+4.0%

Table 4-15: Alternative 4 Proposed Water Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1"	\$15.77	\$15.77	\$16.08	\$16.41	\$16.73	\$17.07
1.25" and 1.5"	\$23.66	\$23.66	\$24.13	\$24.62	\$25.11	\$25.61
"Small" Service Line Proposed Increase	-	+0.0%	+2.0%	+2.0%	+2.0%	+2.0%
2"	\$31.54	\$31.54	\$32.17	\$32.81	\$33.47	\$34.14
3"	\$47.31	\$47.31	\$49.20	\$51.17	\$52.22	\$53.34
4"	\$63.08	\$63.08	\$65.60	\$68.22	\$70.95	\$73.79
6"	\$94.62	\$94.62	\$98.40	\$102.34	\$106.43	\$110.69
8"	\$126.16	\$126.16	\$131.20	\$136.45	\$141.91	\$147.58
10"	\$157.69	\$157.69	\$164.00	\$170.56	\$177.38	\$184.48
"Large" Service Line Proposed Increase	-	+0.0%	+4.0%	+4.0%	+4.0%	+4.0%
12"	\$189.23	\$189.23	\$208.16	\$228.97	\$251.87	\$277.06
12" Service Line Proposed Increase	-	+0.0%	+10.0%	+10.0%	+10.0%	+10.0%

Table 4-16: Alternative 4 Proposed Sewer Fixed Service Line Charge (Per Account Per Month)

Service Line Size (inch)	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Up to 1”	\$18.51	\$18.51	\$19.07	\$19.64	\$20.23	\$20.83
1.25” and 1.5”	\$27.77	\$27.77	\$28.60	\$29.46	\$30.34	\$31.25
“Small” Service Line Proposed Increase	-	+0.0%	+3.0%	+3.0%	+3.0%	+3.0%
2”	\$37.02	\$37.02	\$38.13	\$39.28	\$40.45	\$41.67
3”	\$55.53	\$55.53	\$58.86	\$62.39	\$66.14	\$70.11
4”	\$74.04	\$74.04	\$78.48	\$83.19	\$88.18	\$93.48
6”	\$111.06	\$111.06	\$117.73	\$124.79	\$132.28	\$140.21
8”	\$148.08	\$148.08	\$156.97	\$166.39	\$176.37	\$186.95
10”	\$185.10	\$185.10	\$196.21	\$207.98	\$220.46	\$233.69
“Large” Service Line Proposed Increase	-	+0.0%	+6.0%	+6.0%	+6.0%	+6.0%
12”	\$222.13	\$222.13	\$244.34	\$268.77	\$295.65	\$325.21
12” Service Line Proposed Increase	-	+0.0%	+10.0%	+10.0%	+10.0%	+10.0%

4.7 Revenues from Proposed Rates

Table C2 in Appendix A presents the projected revenue that will be generated with the proposed water and sewer charges through Fiscal Year 2029. The projected charges are calculated by multiplying the previously identified billing quantities by the proposed rates in Table C1.

4.7.1 Operating Results with Proposed Rates – Alternative 1: Status Quo 5% Rate Increases

Figure 4-1 illustrates the projected expenses and revenue with proposed rates. The figure illustrates revenue increasing as rates increase. Operating revenue (excluding bond proceeds) is projected to increase from \$10.95 million in Fiscal Year 2025 to \$13.28 million in Fiscal Year 2029 to meet increasing expenses.

Figure 4-2 illustrates the projected net annual revenue and fund balances for the Water and Sewer Operating and Capital Funds in Fiscal Years 2024 through 2029 with the proposed rates. The Utility funds are projected to end each year in the study period with a positive cash balance above the minimum allowable balance. The Water and Sewer Operating Fund is shown maintaining the minimum 45-days of reserve and any funds exceeding this minimum required reserve is transferred to the Water and Sewer Capital Fund. The balance of the Capital Fund exceeds the goal of maintaining between \$2 million - \$3 million, meaning that excessive revenue is generated by the Alternative 1 rate design.

Fiscal Years 2025 and 2027 show negative annual net revenue due to intentional spending from the Capital Fund on planned capital projects.

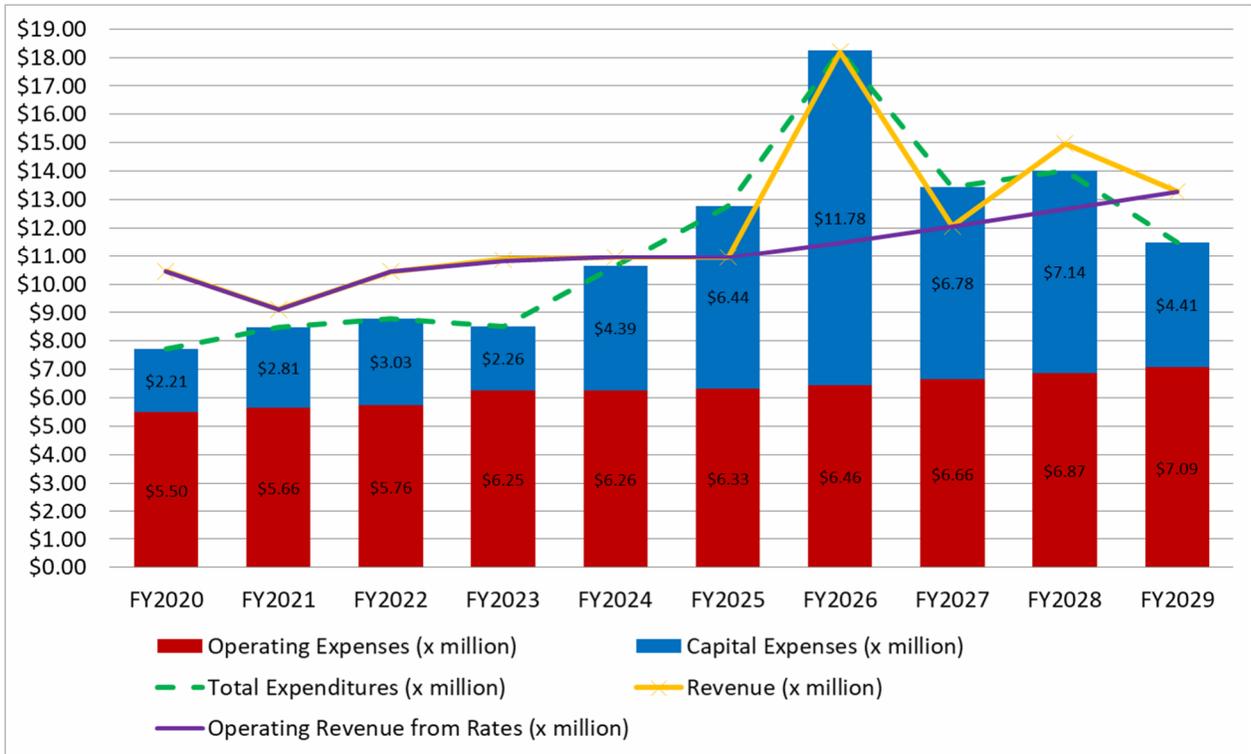


Figure 4-1: Projected Operating Results with Proposed Rates – Alternative 1

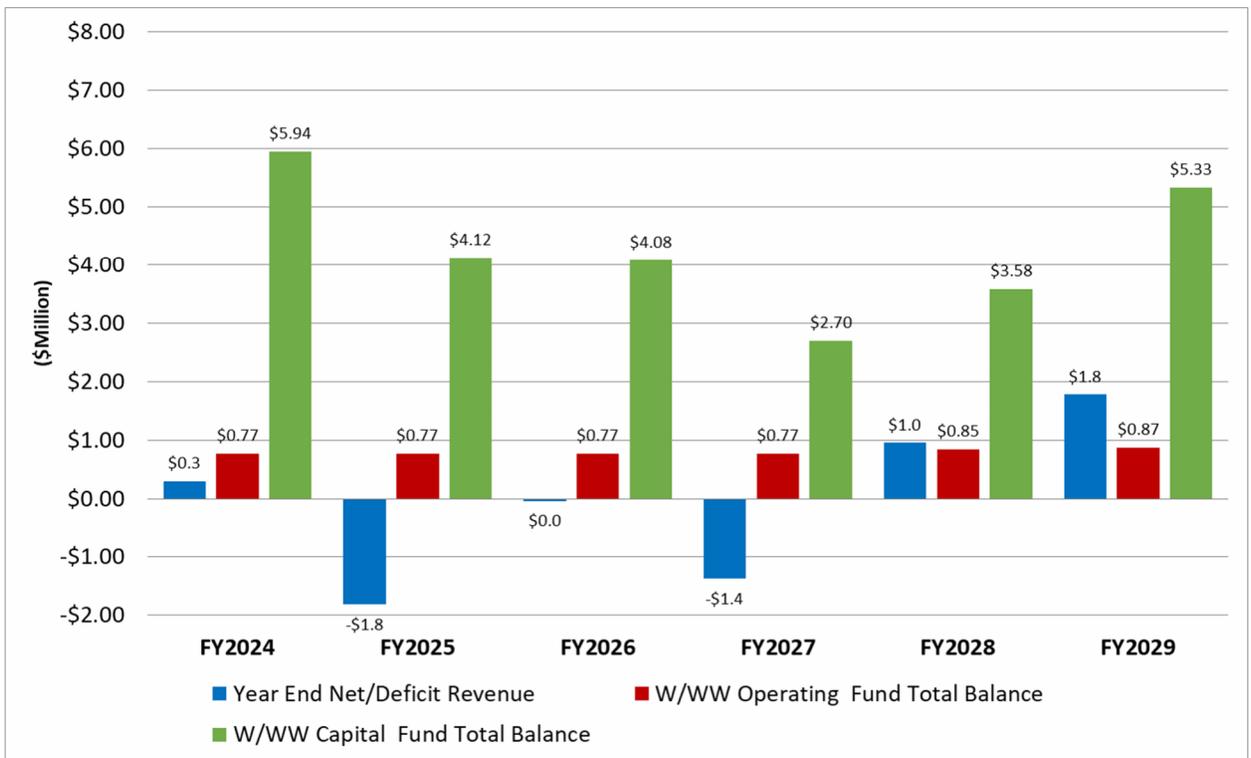


Figure 4-2: Projected Utility Fund Results with Proposed Rates – Alternative 1

4.7.2 Operating Results with Proposed Rates – Alternative 2: Freeze Water and Sewer Rates

Figure 4-3 illustrates the projected expenses and revenue with the proposed rates in Alternative 2. The figure illustrates revenue not increasing as rates are frozen. Operating revenue is projected to remain constant at approximately \$10.95 million annually due to this alternative including a rate freeze for the five-year study period.

Figure 4-4 illustrates the projected net annual revenue and cumulative fund balances in Fiscal Years 2024 through 2029 with the proposed rate freeze. The results presented in this figure show that instituting a five-year rate freeze will lead to annual net deficits and will fully deplete the Water and Sewer Capital Fund.

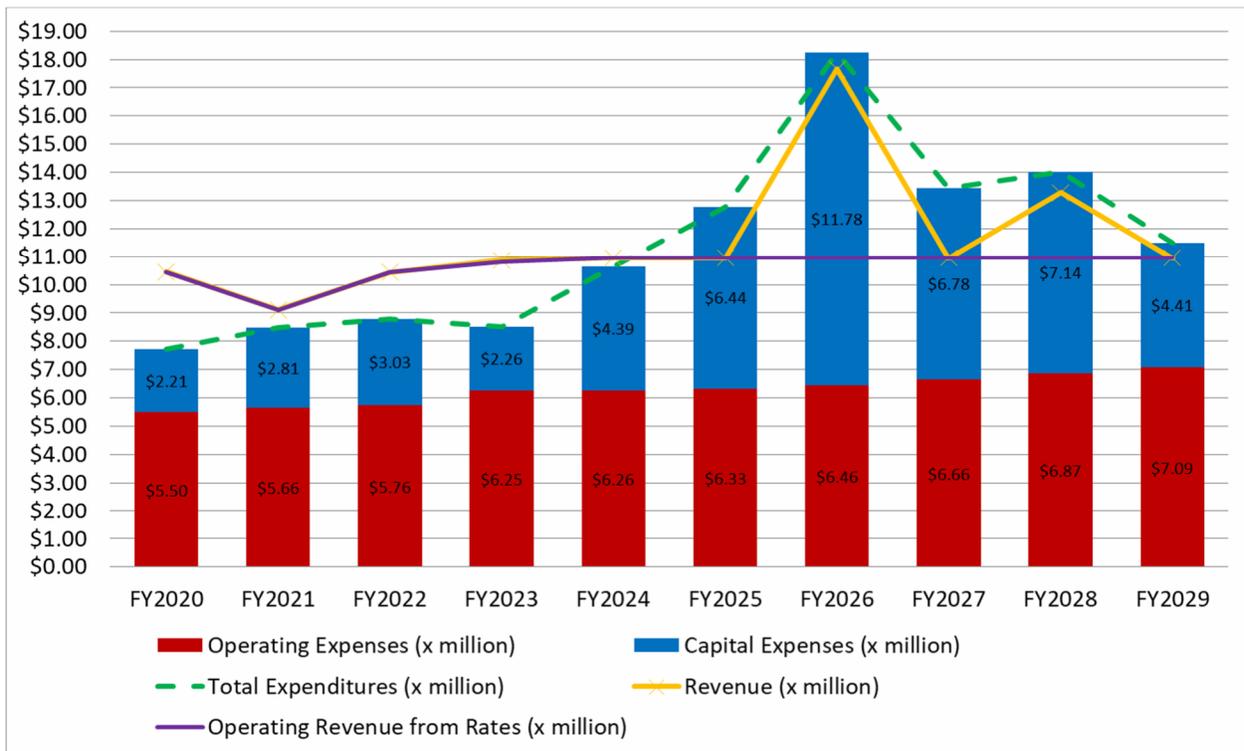


Figure 4-3: Projected Operating Results with Proposed Rates – Alternative 2

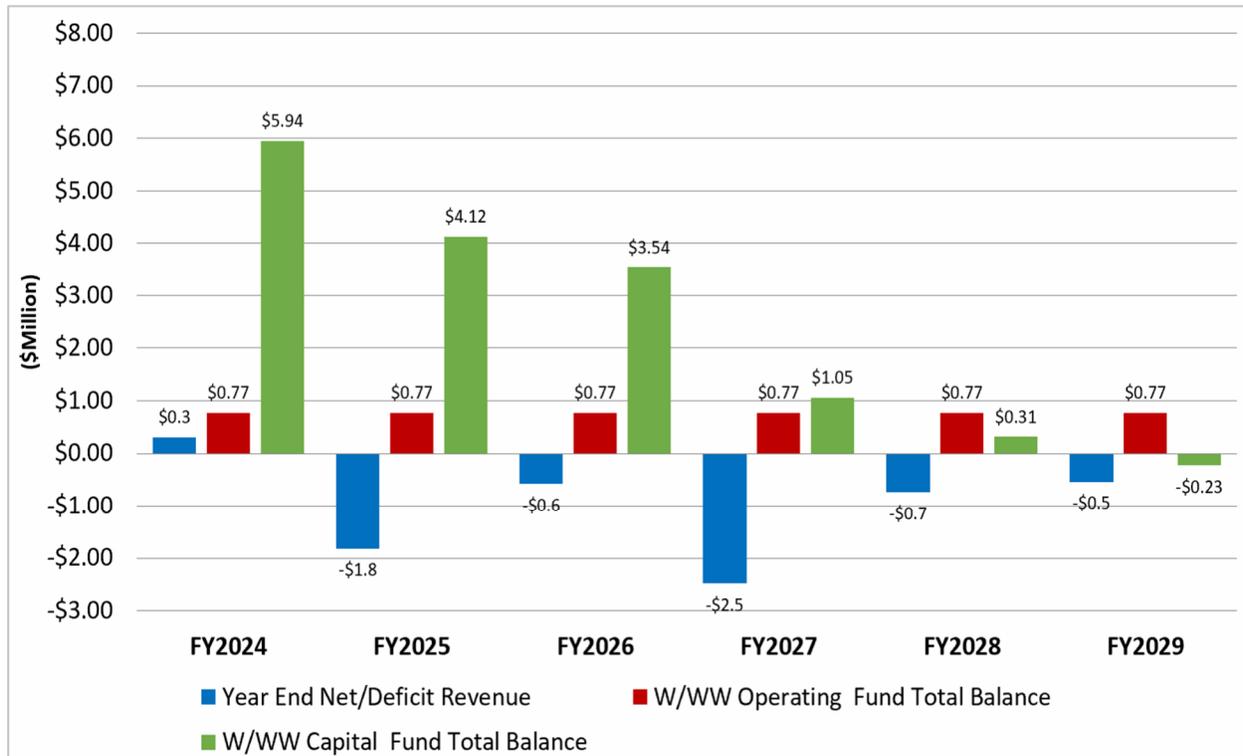


Figure 4-4: Projected Utility Fund Results with Proposed Rates – Alternative 2

4.7.3 Operating Results with Proposed Rates – Alternative 3: Increase Sewer Rates Faster than Water Rates and Northside Infrastructure Project Funding Excluded

Figure 4-5 illustrates the projected expenses and revenue with the rates proposed in Alternative 3. The figure illustrates revenue increasing as rates increase. Operating revenue is projected to increase from \$10.95 million in Fiscal Year 2025 to \$11.31 million in Fiscal Year 2029 to meet increasing expenses. The figure also illustrates the reduction in capital expenses in Fiscal Years 2026 and 2028 due to the exclusion of the Northside Infrastructure Project funding in this alternative.

Figure 4-6 illustrates the projected net annual revenue and cumulative fund balances in Fiscal Years 2024 through 2029 with the proposed rates. The Utility funds are projected to end each year in the study period with a positive cash balance meeting the goals for operating and capital reserves each year.

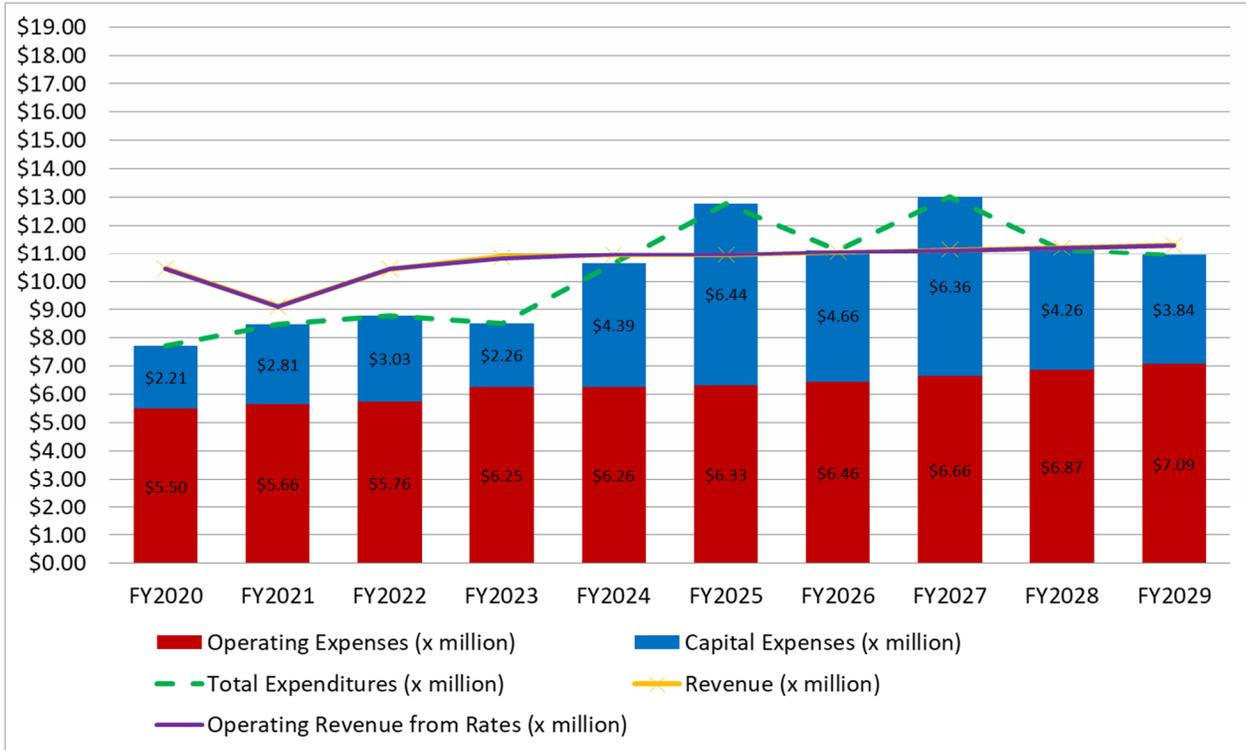


Figure 4-5: Projected Operating Results with Proposed Rates – Alternative 3

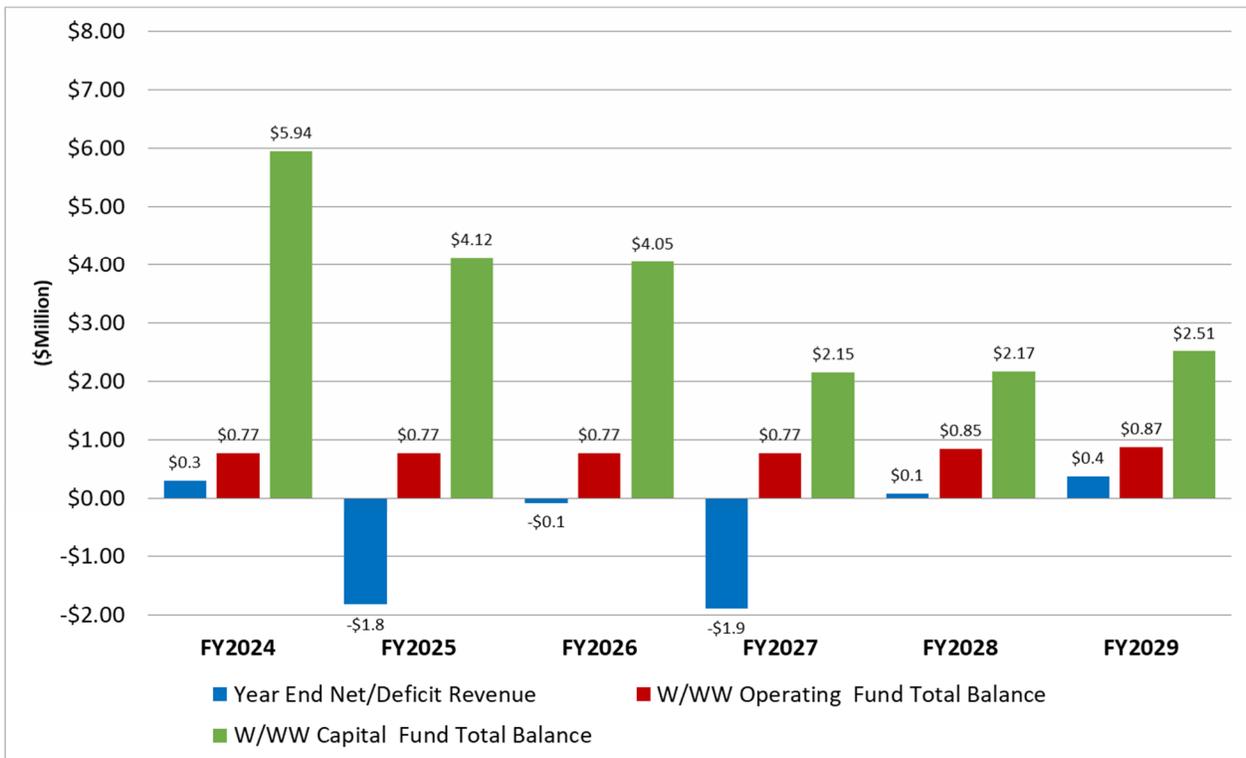


Figure 4-6: Projected Utility Fund Results with Proposed Rates – Alternative 3

4.7.4 Operating Results with Proposed Rates – Alternative 4: Increase Sewer Rates Faster than Water Rates and Northside Infrastructure Project Funding Included

Figure 4-7 illustrates the projected expenses and revenue with the rates proposed in Alternative 4. The figure illustrates revenue increasing as rates increase. Operating revenue is projected to increase from \$10.95 million in Fiscal Year 2025 to \$12.27 million in Fiscal Year 2029 to meet increasing expenses.

Figure 4-8 illustrates the projected net annual revenue and cumulative fund balances in Fiscal Years 2024 through 2029 with the proposed rates. The Utility funds are projected to end each year in the study period with a positive cash balance meeting the goals for operating and capital reserves each year.

The projected fund balances shown in Figures 4-6 and 4-8 for Alternatives 3 and 4, respectively, are very similar. This is because the proposed rate increases were developed to achieve the goals of maintaining 45-days of reserve funds in the Operating Fund and \$2 - \$3 million in the Capital Fund. Therefore, the fund balances are similar for those two alternatives because the differences in the proposed rates were designed to produce similar results.

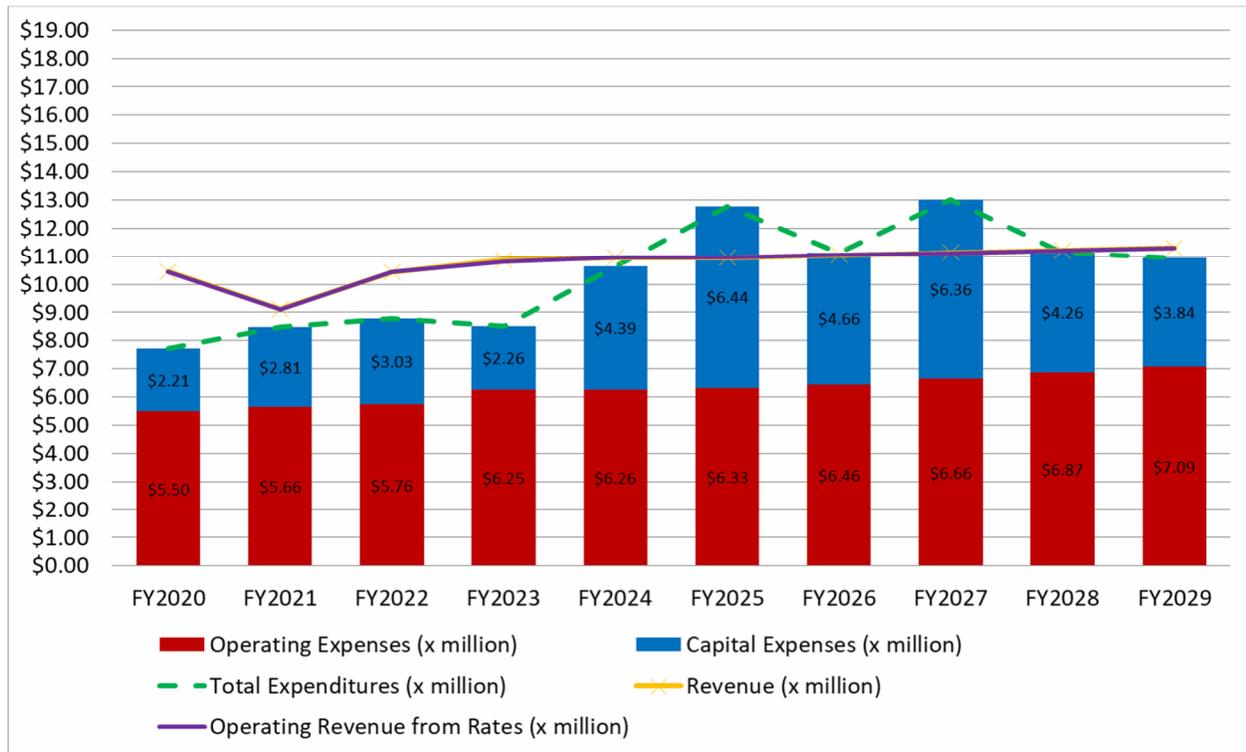


Figure 4-7: Projected Operating Results with Proposed Rates – Alternative 4

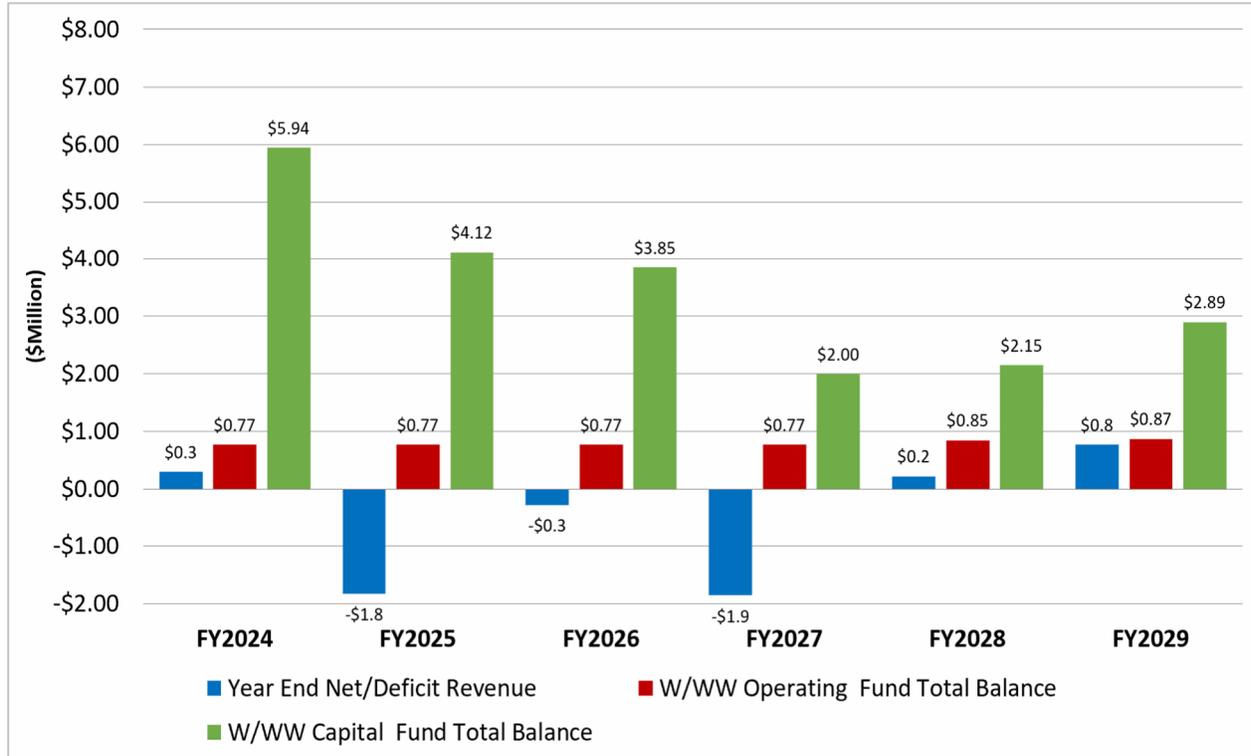


Figure 4-8: Projected Utility Fund Results with Proposed Rates – Alternative 4

4.8 Typical Customer Bills

Table C4 in Appendix A presents a comparison between typical customers’ bills with present and proposed rates. Table 4-17 summarizes the projected monthly water and sewer bill for a typical family using 4,000 gallons¹ of water each month for Alternatives 1-4. Table C5 in Appendix A shows the expected annual cost impacts to key customers in the system.

¹ 4,000 gallons per month is the average monthly water usage for a residential customer in Itasca.

Table 4-17: Typical Family Monthly Water and Sewer Cost

Alternative	Initial Rate	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	\$135	\$135	\$142	\$149	\$157	\$165
		+0.0%	+5.0%	+5.0%	+5.0%	+5.0%
2	\$135	\$135	\$135	\$135	\$135	\$135
		+0.0%	+0.0%	+0.0%	+0.0%	+0.0%
3	\$135	\$135	\$136	\$137	\$139	\$140
		+0.0%	+0.8%	+0.8%	+0.8%	+0.8%
4	\$135	\$135	\$139	\$143	\$147	\$151
		+0.0%	+2.7%	+2.7%	+2.7%	+2.7%

The differences in the total monthly cost between Alternatives 3 and 4 show that the water and sewer portion of the Northside Infrastructure costs are expected to total approximately \$336 for the next five years for the typical residential customer.

4.9 Recommendation

The four alternatives described above were presented to the Itasca Village Board on June 18, 2024. A recommendation was made to the Board to approve Alternative 4 as it accomplishes the established goals of maintaining 45 days of operating reserves in the Water and Sewer Operating Fund, \$2 - \$3 million in the Water and Sewer Capital Fund, and fully funds the upcoming phases of the Northside Infrastructure Project without collecting excess revenue from the rate payers. It is recommended that the rate design presented in Alternative 4 be developed into a rate ordinance that has the first rate increase effective May 1, 2025 and be presented to the Village Board for a vote.

Section 5 Rate Comparison with Other Communities

Figure 5-1 presents a comparison of typical monthly residential water and sewer bills for Itasca to neighboring communities using the rates proposed in the selected rate design. The figure represents the most current known rate data for neighboring communities. Many of these communities are facing similar infrastructure needs as Itasca and will also be facing higher water and sewer utility expenses and rate increases to address these needs. The figure presents Itasca's current rates and current rates for other nearby communities. The Village of Itasca's projected monthly bill for a typical family using 4,000 gallons of water per month is higher than the median typical monthly bill for the surveyed communities. Future water and sewer rate increases for neighboring communities are unknown.

In addition to conventional water and sewer rates, many communities subsidize their water and sewer funds with other revenue sources. These other revenue sources include but are not limited to:

- » Industrial pretreatment fees
- » Video game taxes
- » Antenna leases
- » TIF district funding
- » Local sales tax

On top of the possibility of outside revenue sources subsidizing water and sewer rates in other communities, neighboring communities have unique conditions that impact their water and sewer rates. These unique conditions include:

- » Different infrastructure needs based on average system age.
- » Differences in the size of the customer base.
- » Level of adequacy of system maintenance and system reinvestment.
- » Amount of industrial and commercial water use.

All these dynamic factors impact the water and sewer rates for different communities and these nuances should be considered when trying to understand the overall cost to rate payers.

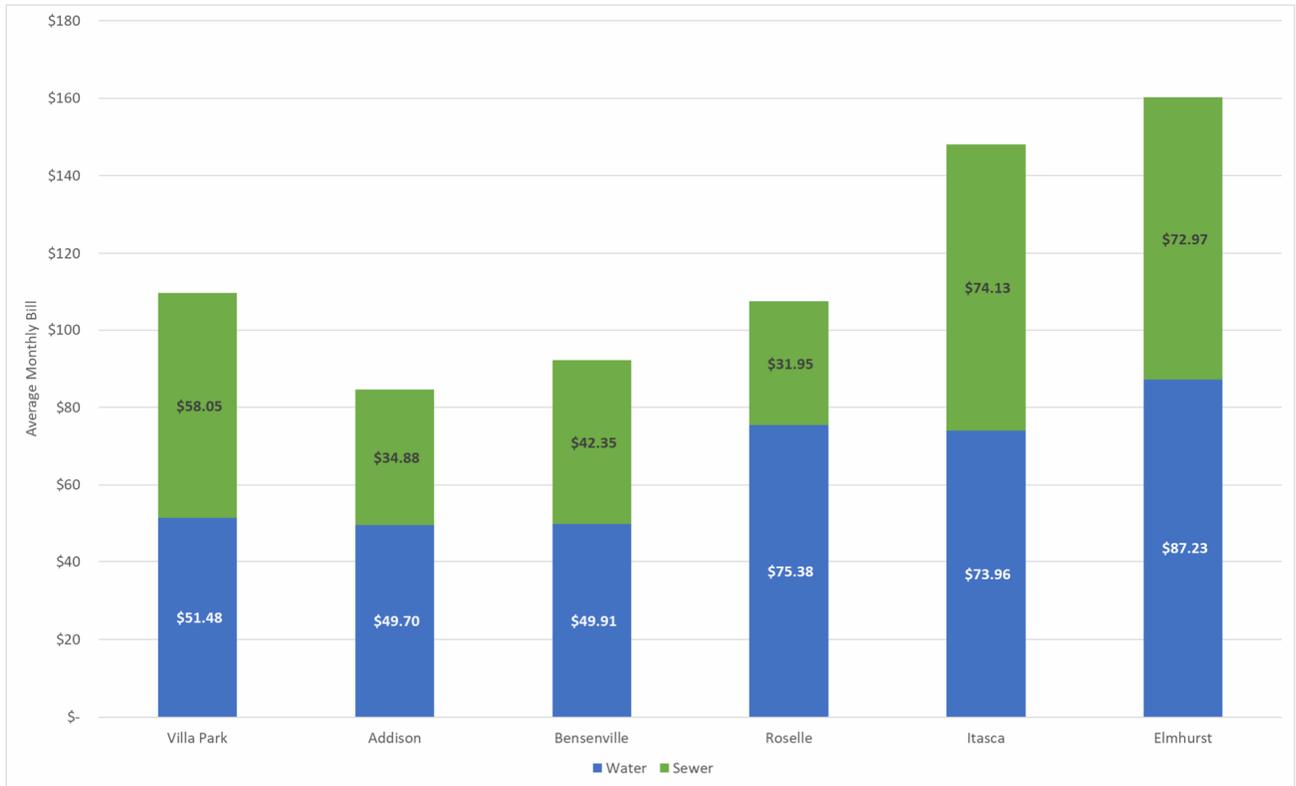


Figure 5-1: Monthly Water and Sewer Costs for an Average Family

Appendix A Water and Sewer Rate Study Tables

Table A1
Billing Quantities - Number of Accounts
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024

Description	Actual FY2023	Projected FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029	Percent Escalation
1.1 Number of Water Accounts								
1.1.1 Commercial	342	342	342	342	342	342	342	0%
1.1.2 Industrial	4	4	4	4	4	4	4	0%
1.1.3 Municipal	13	13	13	13	13	13	13	0%
1.1.4 Public	39	39	39	39	39	39	39	0%
1.1.5 Residential Multifamily	63	63	63	63	63	63	63	0%
1.1.6 Residential Single Family	2,559	2,559	2,559	2,559	2,559	2,559	2,559	0%
1.1.7 Residential Unincorporated	13	13	13	13	13	13	13	0%
1.1.8 Water Users, Total	3,033	3,033	3,033	3,033	3,033	3,033	3,033	0%
1.2 Number of Fire Sprinkler Connections	240	240	240	240	240	240	240	0%
1.3 Number of Sewer Accounts								
1.3.1 Commercial	337	337	337	337	337	337	337	0%
1.3.2 Industrial	4	4	4	4	4	4	4	0%
1.3.3 Municipal	0	0	0	0	0	0	0	0%
1.3.4 Public	34	34	34	34	34	34	34	0%
1.3.5 Residential Multifamily	63	63	63	63	63	63	63	0%
1.3.6 Residential Single Family	2,553	2,553	2,553	2,553	2,553	2,553	2,553	0%
1.3.7 Residential Unincorporated	0	0	0	0	0	0	0	0%
1.3.8 Sewer Users, Total	2,991	2,991	2,991	2,991	2,991	2,991	2,991	0%

Notes

- Throughout the rate design spreadsheet: red values are user-input and black values are calculated with a formula in Excel.

Table A2
Billing Quantities - Volume (1,000 Gallons)
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024

		Actual FY2020	Actual FY2021	Actual FY2022	Actual FY2023	Projected FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029	Percent Escalation
2.1	Billable Volume											
2.1.1	Total Billable Volume ⁽¹⁾	1000 Gal/Year	368,387	326,093	351,726	357,564	351,000	351,000	351,000	351,000	351,000	0%
2.2	Purchased Volume											
2.2.1	Total Purchase Volume ⁽²⁾	1000 Gal/Year	413,659	384,666	408,302	425,319	411,000	411,000	411,000	411,000	411,000	0%
2.3	Percent Non-Revenue Water		10.94%	15.23%	13.86%	15.93%	14.60%	14.60%	14.60%	14.60%	14.60%	

Notes

1. Listed as "Total Metered" in "Pumpage & Usage Spreadsheet" provided by Village.
2. Listed as "DWC Billed Total" in "Pumpage & Usage Spreadsheet" provided by Village.
3. The Percent Non-Revenue Water is assumed to be unchanged through the study period. This is conservative from a rate setting standpoint (more water is purchased), but Illinois State regulations require progress be made in reducing non-revenue water to ten percent or less.

Table A3
Billing Quantities - Meter Inventory by Size
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024

Description		Actual FY2023	Projected FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029	Percent Escalation
1.1	Number of Water Meters								
1.1.1	Up to 1"	2,606	2,606	2,606	2,606	2,606	2,606	2,606	0%
1.1.2	1.25-1.5	42	42	42	42	42	42	42	0%
1.1.3	2"	57	57	57	57	57	57	57	0%
1.1.4	3"	20	20	20	20	20	20	20	0%
1.1.5	4"	42	42	42	42	42	42	42	0%
1.1.6	6"	66	66	66	66	66	66	66	0%
1.1.7	8"	110	110	110	110	110	110	110	0%
1.1.8	10"	19	19	19	19	19	19	19	0%
1.1.9	12"	11	11	11	11	11	11	11	0%
1.1.10	Total Number of Water Meters	2,973	2,973	2,973	2,973	2,973	2,973	2,973	
1.2	Number of Sewer Meters								Percent Escalation
1.2.1	Up to 1"	2,585	2,585	2,585	2,585	2,585	2,585	2,585	0%
1.2.2	1.25-1.5	42	42	42	42	42	42	42	0%
1.2.3	2"	56	56	56	56	56	56	56	0%
1.2.4	3"	20	20	20	20	20	20	20	0%
1.2.5	4"	40	40	40	40	40	40	40	0%
1.2.6	6"	66	66	66	66	66	66	66	0%
1.2.7	8"	110	110	110	110	110	110	110	0%
1.2.8	10"	18	18	18	18	18	18	18	0%
1.2.9	12"	11	11	11	11	11	11	11	0%
1.2.10	Total Number of Water Meters	2,948	2,948	2,948	2,948	2,948	2,948	2,948	

Notes

1. There are no "sewer meters". Most accounts are invoiced for sewer use based on the water meter reading. There are some accounts for which it is not appropriate to base sewer fees on water use because the water may not be returned to the sewer.
2. The Village's fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

**Table B1
Present Rates (Alternative 1)
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024**

Description		Actual FY2020	Actual FY2021	Actual FY2022	Actual FY2023	Actual FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029	Percent Escalation
1.1	Volume Rates											
1.1.1	Water Volume Charge	Per 1,000 gal. \$ 11.83	\$ 12.02	\$ 12.53	\$ 12.53	\$ 12.93	\$ 13.58	\$ 14.26	\$ 14.97	\$ 15.72	\$ 16.50	5.0%
1.1.2	Sewer Volume Charge	Per 1,000 gal. \$ 11.30	\$ 11.49	\$ 11.97	\$ 11.97	\$ 12.36	\$ 12.98	\$ 13.63	\$ 14.31	\$ 15.02	\$ 15.77	5.0%
1.2	Meter Rate											
1.2.1	Water Meter											
1.2.1.1	Up to 1"	\$ 14.30	\$ 14.66	\$ 15.77	\$ 15.77	\$ 15.77	\$ 16.56	\$ 17.39	\$ 18.26	\$ 19.17	\$ 20.13	5.0%
1.2.1.2	1.25"-1.5"	\$ 21.46	\$ 22.00	\$ 23.66	\$ 23.66	\$ 23.66	\$ 24.84	\$ 26.09	\$ 27.39	\$ 28.76	\$ 30.20	5.0%
1.2.1.3	2"	\$ 28.61	\$ 29.32	\$ 31.54	\$ 31.54	\$ 31.54	\$ 33.12	\$ 34.77	\$ 36.51	\$ 38.34	\$ 40.25	5.0%
1.2.1.4	3"	\$ 42.91	\$ 43.98	\$ 47.31	\$ 47.31	\$ 47.31	\$ 49.67	\$ 52.16	\$ 54.77	\$ 57.50	\$ 60.38	5.0%
1.2.1.5	4"	\$ 57.21	\$ 58.64	\$ 63.08	\$ 63.08	\$ 63.08	\$ 66.23	\$ 69.54	\$ 73.02	\$ 76.67	\$ 80.51	5.0%
1.2.1.6	6"	\$ 85.82	\$ 87.97	\$ 94.62	\$ 94.62	\$ 94.62	\$ 99.35	\$ 104.31	\$ 109.53	\$ 115.01	\$ 120.76	5.0%
1.2.1.7	8"	\$ 114.43	\$ 117.29	\$ 126.16	\$ 126.16	\$ 126.16	\$ 132.46	\$ 139.09	\$ 146.04	\$ 153.34	\$ 161.01	5.0%
1.2.1.8	10"	\$ 143.03	\$ 146.61	\$ 157.69	\$ 157.69	\$ 157.69	\$ 165.58	\$ 173.86	\$ 182.55	\$ 191.68	\$ 201.26	5.0%
1.2.1.9	12"	\$ 171.64	\$ 175.93	\$ 189.23	\$ 189.23	\$ 189.23	\$ 198.70	\$ 208.63	\$ 219.06	\$ 230.01	\$ 241.52	5.0%
1.3.1	Sewer Meter											
1.3.1.1	Up to 1"	\$ 16.79	\$ 17.21	\$ 18.51	\$ 18.51	\$ 18.51	\$ 19.44	\$ 20.41	\$ 21.43	\$ 22.50	\$ 23.62	5.0%
1.3.1.2	1.25"-1.5"	\$ 25.18	\$ 25.81	\$ 27.77	\$ 27.77	\$ 27.77	\$ 29.15	\$ 30.61	\$ 32.14	\$ 33.75	\$ 35.44	5.0%
1.3.1.3	2"	\$ 33.58	\$ 34.42	\$ 37.02	\$ 37.02	\$ 37.02	\$ 38.87	\$ 40.82	\$ 42.86	\$ 45.00	\$ 47.25	5.0%
1.3.1.4	3"	\$ 50.37	\$ 51.63	\$ 55.53	\$ 55.53	\$ 55.53	\$ 58.31	\$ 61.22	\$ 64.28	\$ 67.50	\$ 70.87	5.0%
1.3.1.5	4"	\$ 67.16	\$ 68.84	\$ 74.04	\$ 74.04	\$ 74.04	\$ 77.74	\$ 81.63	\$ 85.71	\$ 90.00	\$ 94.50	5.0%
1.3.1.6	6"	\$ 100.74	\$ 103.26	\$ 111.06	\$ 111.06	\$ 111.06	\$ 116.62	\$ 122.45	\$ 128.57	\$ 135.00	\$ 141.75	5.0%
1.3.1.7	8"	\$ 134.32	\$ 137.67	\$ 148.08	\$ 148.08	\$ 148.08	\$ 155.49	\$ 163.26	\$ 171.43	\$ 180.00	\$ 189.00	5.0%
1.3.1.8	10"	\$ 167.90	\$ 172.09	\$ 185.10	\$ 185.10	\$ 185.10	\$ 194.36	\$ 204.08	\$ 214.28	\$ 225.00	\$ 236.25	5.0%
1.3.1.9	12"	\$ 201.47	\$ 206.51	\$ 222.13	\$ 222.13	\$ 222.13	\$ 233.23	\$ 244.89	\$ 257.14	\$ 269.99	\$ 283.49	5.0%
1.4	DWC Purchase Rate (Expense) ¹	Per 1,000 gal. \$ 4.97	\$ 4.97	\$ 4.97	\$ 4.97	\$ 5.39	\$ 5.55	\$ 5.72	\$ 5.89	\$ 6.07	\$ 6.25	3.0%

Notes

1. Rates for FY 2018 - FY2023 are taken from the spreadsheet "Pumpage & Usage Spreadsheet" provided by Village.
2. Rates for FY2024 are taken from Ordinance No. 2066-23
 - There are no "sewer meters". Most accounts are invoiced for sewer use based on the water meter
3. reading. There are some accounts for which it is not appropriate to base sewer fees on water use because the water may not be returned to the sewer.
4. The Village's fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

Table B2
Revenues From Present Rates
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024

Description	Actual FY2020	Actual FY2021	Actual FY2022	Actual FY2023	Projected FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029	Percent Escalation
2.1	Water and Sewer Charges ⁽¹⁾										
2.1.1	\$ 5,059,511	\$ 4,400,740	\$ 4,218,502	\$ 5,362,177	\$ 4,538,430	\$ 4,765,352	\$ 5,003,619	\$ 5,253,800	\$ 5,516,490	\$ 5,792,315	
2.1.2	\$ 5,116,645	\$ 4,592,556	\$ 6,028,141	\$ 5,164,582	\$ 4,338,360	\$ 4,555,278	\$ 4,783,042	\$ 5,022,194	\$ 5,273,304	\$ 5,536,969	
2.1.3	-	-	-	-	\$ 872,180	\$ 915,789	\$ 961,579	\$ 1,009,658	\$ 1,060,140	\$ 1,113,147	
2.1.4	-	-	-	-	\$ 1,014,667	\$ 1,065,401	\$ 1,118,671	\$ 1,174,604	\$ 1,233,335	\$ 1,295,001	
2.1.6	\$ 10,176,156	\$ 8,993,296	\$ 10,246,643	\$ 10,526,759	\$ 10,763,638	\$ 11,301,819	\$ 11,866,910	\$ 12,460,256	\$ 13,083,269	\$ 13,737,432	
2.2	Other Revenue										
2.2.2	\$ 4,423	\$ 3,525	\$ 1,226	\$ 61,327	\$ 3,089	\$ 3,119	\$ 3,151	\$ 3,182	\$ 3,214	\$ 3,246	1.00%
2.1.5	\$ 275,558	\$ 111,435	\$ 190,170	\$ 293,993	\$ 183,627	\$ 185,463	\$ 187,318	\$ 189,191	\$ 191,083	\$ 192,994	1.00%
2.2.3	\$ 279,981	\$ 114,960	\$ 191,396	\$ 355,320	\$ 186,716	\$ 188,583	\$ 190,469	\$ 192,373	\$ 194,297	\$ 196,240	
2.3	\$ 10,456,137	\$ 9,108,256	\$ 10,438,039	\$ 10,882,079	\$ 10,950,353	\$ 11,490,402	\$ 12,057,379	\$ 12,652,629	\$ 13,277,566	\$ 13,933,672	
2.4	Capital Revenue ⁽⁴⁾										
2.4.1	\$ 431,533	\$ 428,546	\$ 455,293	\$ -	\$ -	\$ -	\$ 6,703,000	\$ -	\$ 2,315,000	\$ -	0.00%
2.4.2	\$ 431,533	\$ 428,546	\$ 455,293	\$ -	\$ -	\$ -	\$ 6,703,000	\$ -	\$ 2,315,000	\$ -	
2.5	\$ 10,887,670	\$ 9,536,802	\$ 10,893,332	\$ 10,882,079	\$ 10,950,353	\$ 11,490,402	\$ 18,760,379	\$ 12,652,629	\$ 15,592,566	\$ 13,933,672	
2.6	\$ 1,953,293	\$ 440,359	\$ 2,431,667	\$ 1,825,126	\$ -	\$ 1,282,480	\$ -	\$ 788,090	\$ -	\$ -	0.00%

Notes

1. Budget numbers are used for 2023 water and sewer charges because audit values are not available. Other revenue, transfer, grants, and bond revenues are projected based on past data.
2. Meter charges are included in the volume charge line items for FY 2020, 2021, and 2022 based on information available in the audits for those years. The meter charges are removed from the volume charge and shown separately in the projections.
3. Transfers from the Water and Sewer Capital Fund for 2025 and beyond are calculated based on the amount of excess capital spending beyond the amount supported by the projected revenue generated.
4. Bond proceeds are typically deposited into the Water and Sewer Capital Fund and IEPA loan proceeds are typically deposited into the Water and Sewer Operating Fund

**Table B3
Operating Expenses
Water Rate Study
Village of Itasca, Illinois
September 2024**

Description	Actual FY2020	Actual FY2021	Actual FY2022	Actual FY2023	Budget FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029	Percent Escalation
3.1	Water and Sewer Fund										
3.1.1	Personnel Services										
3.1.1.1	\$ 13,690	\$ 17,406	\$ 62,148	\$ 19,813	\$ 19,100	\$ 27,754	\$ 27,754	\$ 27,754	\$ 27,754	\$ 27,754	0.00%
3.1.1.2	\$ 65,382	\$ 71,238	\$ 119,518	\$ 334,206	\$ 362,000	\$ 276,089	\$ 276,089	\$ 284,372	\$ 292,903	\$ 301,690	3.00%
3.1.1.3	\$ 1,398,413	\$ 1,431,769	\$ 1,253,883	\$ 1,378,110	\$ 982,550	\$ 1,200,407	\$ 1,200,407	\$ 1,248,423	\$ 1,298,360	\$ 1,350,294	4.00%
3.1.1.4	\$ 535,354	\$ 560,161	\$ 572,615	\$ 602,409	\$ 670,250	\$ 619,362	\$ 619,362	\$ 637,943	\$ 657,081	\$ 676,793	3.00%
3.1.1.5	\$ 2,012,839	\$ 2,080,574	\$ 2,008,164	\$ 2,334,538	\$ 2,033,900	\$ 2,123,612	\$ 2,123,612	\$ 2,198,491	\$ 2,276,098	\$ 2,356,532	
3.1.2	Administrative Commodities										
3.1.2.1	\$ 88,213	\$ 107,406	\$ 100,575	\$ 118,068	\$ 78,900	\$ 97,836	\$ 100,771	\$ 103,794	\$ 106,908	\$ 110,115	3.00%
3.1.2.2	\$ 5,596	\$ 3,199	\$ 15,443	\$ 9,902	\$ 14,088	\$ 12,014	\$ 12,375	\$ 12,746	\$ 13,128	\$ 13,522	3.00%
3.1.2.3	\$ 35,139	\$ 21,538	\$ 15,304	\$ 26,768	\$ 30,400	\$ 25,405	\$ 26,167	\$ 26,952	\$ 27,761	\$ 28,594	3.00%
3.1.2.5	\$ -	\$ -	\$ -	\$ -	\$ 182,750	\$ 188,233	\$ 193,879	\$ 199,696	\$ 205,687	\$ 211,857	3.00%
3.1.2.6	\$ 128,948	\$ 132,143	\$ 131,322	\$ 154,738	\$ 306,138	\$ 323,488	\$ 333,192	\$ 343,188	\$ 353,484	\$ 364,088	
3.1.3	Contractual Services										
3.1.3.1	\$ 223,293	\$ 324,105	\$ 423,862	\$ 449,258	\$ 488,148	\$ 447,220	\$ 460,636	\$ 474,455	\$ 488,689	\$ 503,350	3.00%
3.1.3.2	\$ 129,900	\$ 115,247	\$ 159,218	\$ 158,382	\$ 130,000	\$ 142,883	\$ 147,169	\$ 151,584	\$ 156,132	\$ 160,816	3.00%
3.1.3.3	\$ 353,193	\$ 439,352	\$ 583,080	\$ 607,640	\$ 618,148	\$ 590,103	\$ 607,806	\$ 626,040	\$ 644,821	\$ 664,166	
3.1.4	Operational Commodities										
3.1.4.1	\$ 138,872	\$ 165,697	\$ 83,443	\$ 174,427	\$ 200,768	\$ 165,894	\$ 170,870	\$ 175,997	\$ 181,276	\$ 186,715	3.00%
3.1.4.2	\$ 63,179	\$ 95,652	\$ 86,142	\$ 107,239	\$ 82,475	\$ 91,955	\$ 94,714	\$ 97,555	\$ 100,482	\$ 103,497	3.00%
3.1.4.3	\$ 84,860	\$ 185,914	\$ 169,698	\$ 164,125	\$ 256,382	\$ 204,321	\$ 210,451	\$ 216,764	\$ 223,267	\$ 229,965	3.00%
3.1.4.4	\$ 17,544	\$ 15,613	\$ 26,612	\$ 28,182	\$ 27,000	\$ 26,138	\$ 26,922	\$ 27,730	\$ 28,562	\$ 29,419	3.00%
3.1.4.5	\$ 66,592	\$ 55,224	\$ 85,372	\$ 35,310	\$ 72,175	\$ 62,060	\$ 63,922	\$ 65,839	\$ 67,814	\$ 69,849	3.00%
3.1.4.6	\$ 6,574	\$ 5,723	\$ 3,587	\$ 7,391	\$ 11,575	\$ 8,137	\$ 8,381	\$ 8,633	\$ 8,892	\$ 9,158	3.00%
3.1.4.7	\$ 182,353	\$ 213,425	\$ 157,131	\$ 156,791	\$ 128,900	\$ 151,366	\$ 155,907	\$ 160,584	\$ 165,402	\$ 170,364	3.00%
3.1.4.8	\$ 391,603	\$ 360,372	\$ 391,936	\$ 279,378	\$ 259,760	\$ 302,142	\$ 311,206	\$ 320,542	\$ 330,159	\$ 340,063	3.00%
3.1.4.9	\$ 951,577	\$ 1,097,620	\$ 1,003,921	\$ 952,843	\$ 1,039,035	\$ 1,012,013	\$ 1,042,373	\$ 1,073,645	\$ 1,105,854	\$ 1,139,030	
3.1.5	Water Purchases										
3.1.5.1	\$ 2,055,885	\$ 1,911,790	\$ 2,029,576	\$ 2,203,130	\$ 2,263,800	\$ 2,281,749	\$ 2,350,201	\$ 2,420,707	\$ 2,493,328	\$ 2,568,128	
3.2	Total Operating Expenses (Before Transfer)										
	\$ 5,502,442	\$ 5,661,479	\$ 5,756,063	\$ 6,252,889	\$ 6,261,021	\$ 6,330,964	\$ 6,457,184	\$ 6,662,071	\$ 6,873,585	\$ 7,091,944	
3.3	Transfers to Water and Sewer Capital Fund										
	\$ -	\$ -	\$ -	\$ -	\$ 1,819,546	\$ -	\$ 496,546	\$ -	\$ 1,527,362	\$ 2,405,726	

1. The Village's fiscal year begins on May ¹st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

**Table B4
Capital Expenses
Water Rate Study
Village of Itasca, Illinois
September 2024**

Description	Actual ⁽¹⁾ FY2020	Actual FY2021	Actual FY2022	Actual FY2023	EOY Estimate FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029
4.1 Debt Service										
4.1.1 Series 2022A Bond Principal and Interest				\$ 1,140,589	\$ 1,153,250	\$ 1,166,500	\$ 1,178,000	\$ 1,187,750	\$ 1,190,750	\$ 1,207,250
4.1.2 Series 2022B Bond Principal and Interest ⁽²⁾					\$ 470,590	\$ 469,765	\$ 468,528	\$ 469,628	\$ 470,178	\$ 470,178
4.1.3 North Side Infrastructure Project IEPA Loan or Bond 2026 ⁽³⁾							\$ 420,470	\$ 420,470	\$ 420,470	\$ 420,470
4.1.4 North Side Infrastructure Project IEPA Loan or Bond 2028 ⁽³⁾									\$ 145,217	\$ 145,217
4.1.5 L175446 IEPA Clean Water SRF Loan Principal	\$ 99,309	\$ 258,559	\$ 290,209	\$ 294,053	\$ 297,947	\$ 301,893	\$ 305,891	\$ 309,942	\$ 314,247	\$ 318,206
4.1.6 L175446 IEPA Clean Water SRF Loan Interest	\$ 29,890	\$ 75,455	\$ 78,757	\$ 74,914	\$ 71,019	\$ 67,074	\$ 63,075	\$ 59,024	\$ 54,920	\$ 50,760
4.1.7 L171456 IEPA Clean Water SRF Loan Principal ⁽⁴⁾	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
4.1.8 Subtotal Debt Service	\$ 2,214,378	\$ 2,812,624	\$ 3,031,832	\$ 2,259,555	\$ 2,742,807	\$ 2,755,232	\$ 3,185,965	\$ 3,196,815	\$ 3,345,781	\$ 3,362,081
4.2 Capital Outlays from Revenue										
4.2.1 Vehicles Fund Systematic 100% of total cost PW-18-015					\$ -	\$ 20,000	\$ 60,000	\$ -	\$ -	\$ -
4.2.2 Vehicles Fund Utility Truck 100% of total cost PW-20-004					\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
4.2.3 Vehicles Fund Dump Truck 33% of total cost PW-20-005					\$ -	\$ -	\$ -	\$ 133,333	\$ -	\$ -
4.2.4 Streets Fund North Side Infrastructure 55% of total cost STR-17-020					\$ -	\$ 500,000	\$ -	\$ 175,000	\$ -	\$ -
4.2.5 Sanitary Sewer Rehabilitation WW-18-004					\$ -	\$ 460,000	\$ 483,500	\$ 506,000	\$ 526,500	\$ 547,000
4.2.6 WAS Aerzen blower "Stage" Replacement WW-18-006					\$ 18,141	\$ 28,000	\$ 28,000	\$ -	\$ 28,000	\$ -
4.2.7 UV Lamp Replacement WW-18-008					\$ 19,301	\$ -	\$ -	\$ 30,000	\$ -	\$ -
4.2.8 SBR Diffuser Membrane Replacement WW-18-009					\$ 38,000	\$ 37,000	\$ 37,000	\$ -	\$ -	\$ -
4.2.9 SCADA Radio Replacement WW-18-018					\$ -	\$ 180,000	\$ -	\$ -	\$ -	\$ -
4.2.10 VFD Replacement WW-19-001					\$ 80,000	\$ 85,000	\$ 90,000	\$ 95,000	\$ 100,000	\$ 105,000
4.2.11 Filter Media Replacement WW-20-001					\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 25,000
4.2.12 WAS Tank Diffuser Replacement WW-20-002					\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 25,000
4.2.13 Polymer Pump/Mix WW-21-001					\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ 25,000
4.2.14 Actuator Replacement Program for WWTP WW-21-004					\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
4.2.15 SBR and WAS Systems Aeration Feasibility Study WW-22-004					\$ 34,905	\$ -	\$ 170,000	\$ -	\$ -	\$ -
4.2.16 SBR Raw Sewage Channel WW-24-001					\$ 32,513	\$ 217,487	\$ -	\$ -	\$ -	\$ -
4.2.17 Water Meter Replacement and AMI WTR-18-008					\$ 1,400,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -
4.2.18 Industrial Drive Storage Tank Repairs WTR-19-001					\$ -	\$ 295,200	\$ -	\$ -	\$ -	\$ -
4.2.19 Industrial Drive Storage Tank Upgrades WTR-19-002					\$ -	\$ -	\$ 15,000	\$ -	\$ 705,000	\$ -
4.2.20 Rohlwing Road Storage Tank Repairs WTR-22-001					\$ -	\$ -	\$ -	\$ 677,500	\$ -	\$ -
4.2.21 Water Main Maintenance WTR-24-002					\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
4.2.22 Water Main Replacement CMD Ardmore Ave WTR-25-002					\$ -	\$ 1,404,000	\$ -	\$ -	\$ -	\$ -
4.2.23 Water Main Replacement CMD Baker Drive WTR-25-003					\$ -	\$ 60,000	\$ 705,000	\$ -	\$ -	\$ -
4.2.24 Water Main Replacement CMD Bryn Mawr Ave. WTR-25-004					\$ -	\$ -	\$ 95,000	\$ 1,195,000	\$ -	\$ -
4.2.25 Water Main Replacement CMD Hilltop Ave WTR-25-005					\$ -	\$ -	\$ 55,000	\$ 650,000	\$ -	\$ -
4.2.26 Total Capital Outlays including Vehicles & Street				\$ -	\$ 1,642,860	\$ 3,686,687	\$ 1,893,500	\$ 3,581,833	\$ 1,479,500	\$ 1,047,000
4.3 Capital Outlays from Loans										
4.3.1 Streets Fund North Side Infrastructure 55% of total cost STR-17-020					\$ -	\$ -	\$ 6,703,000	\$ -	\$ 2,315,000	\$ -
4.3.2 Subtotal Capital Outlays from Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,703,000	\$ -	\$ 2,315,000	\$ -
4.4 Total Capital Expenses	\$ 2,214,378	\$ 2,812,624	\$ 3,031,832	\$ 2,259,555	\$ 4,385,667	\$ 6,441,919	\$ 11,782,465	\$ 6,778,648	\$ 7,140,281	\$ 4,409,081

Notes

1. Debt service for 2020, 2021, and 2022 is taken directly from audited actual numbers. Debt service for 2023 onwards is calculated directly from debt service payment schedules.
2. 2022B is a new bond for construction funds for the North Side Infrastructure Project. 55% of P+I is charged to Water Capital Fund.
3. Debt service for future loans/bonds for the Northside Infrastructure Project are estimated to be proportionally the same as the capital/debt service ration of the 2022B series bond
4. L171456 has a 0% interest rate.
5. The Village's fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

**Table B5
Operating Results with Present Rates
Water Rate Study
Village of Itasca, Illinois
September 2024**

Description	Actual FY2020	Actual FY2021	Actual FY2022	Budget FY2023	Budget FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029
5.1 Billing Quantities										
5.1.1 Number of Accounts				2,973	2,973	2,973	2,973	2,973	2,973	2,973
5.1.2 Billable Volume (1000 gal/year)	368,387	326,093	351,726	357,564	351,000	351,000	351,000	351,000	351,000	351,000
5.2 Revenues										
5.2.1 Water Volume Charge	\$ 5,059,511	\$ 4,400,740	\$ 4,218,502	\$ 5,362,177	\$ 4,538,430	\$ 4,765,352	\$ 5,003,619	\$ 5,253,800	\$ 5,516,490	\$ 5,792,315
5.2.2 Sewer Volume Charge	\$ 5,116,645	\$ 4,592,556	\$ 6,028,141	\$ 5,164,582	\$ 4,338,360	\$ 4,555,278	\$ 4,783,042	\$ 5,022,194	\$ 5,273,304	\$ 5,536,969
5.2.3 Water Meter Charge	-	-	-	-	\$ 872,180	\$ 915,789	\$ 961,579	\$ 1,009,658	\$ 1,060,140	\$ 1,113,147
5.2.4 Sewer Meter Charge	-	-	-	-	\$ 1,014,667	\$ 1,065,401	\$ 1,118,671	\$ 1,174,604	\$ 1,233,335	\$ 1,295,001
5.2.5 Other Revenue	\$ 275,558	\$ 111,435	\$ 190,170	\$ 293,993	\$ 183,627	\$ 185,463	\$ 187,318	\$ 189,191	\$ 191,083	\$ 192,994
5.2.6 Capital Revenue (Bond Proceeds)					\$ -	\$ -	\$ 6,703,000	\$ -	\$ 2,315,000	\$ -
5.2.7 Investment Income	\$ 4,423	\$ 3,525	\$ 1,226	\$ 61,327	\$ 3,089	\$ 3,119	\$ 3,151	\$ 3,182	\$ 3,214	\$ 3,246
5.2.8 Total Revenue Before Transfers	\$ 10,456,137	\$ 9,108,256	\$ 10,438,039	\$ 10,882,079	\$ 10,950,353	\$ 11,490,402	\$ 18,760,379	\$ 12,652,629	\$ 15,592,566	\$ 13,933,672
5.3 Operating Expenses										
5.3.1 Personnel Services	\$ 2,012,839	\$ 2,080,574	\$ 2,008,164	\$ 2,334,538	\$ 2,033,900	\$ 2,123,612	\$ 2,123,612	\$ 2,198,491	\$ 2,276,098	\$ 2,356,532
5.3.2 Administrative Commodities	\$ 128,948	\$ 132,143	\$ 131,322	\$ 154,738	\$ 306,138	\$ 323,488	\$ 333,192	\$ 343,188	\$ 353,484	\$ 364,088
5.3.3 Contractual Services	\$ 353,193	\$ 439,352	\$ 583,080	\$ 607,640	\$ 618,148	\$ 590,103	\$ 607,806	\$ 626,040	\$ 644,821	\$ 664,166
5.3.4 Operational Commodities	\$ 951,577	\$ 1,097,620	\$ 1,003,921	\$ 952,843	\$ 1,039,035	\$ 1,012,013	\$ 1,042,373	\$ 1,073,645	\$ 1,105,854	\$ 1,139,030
5.3.5 Water Purchases	\$ 2,055,885	\$ 1,911,790	\$ 2,029,576	\$ 2,203,130	\$ 2,263,800	\$ 2,281,749	\$ 2,350,201	\$ 2,420,707	\$ 2,493,328	\$ 2,568,128
5.3.7 Subtotal Operating Expenses	\$ 5,502,442	\$ 5,661,479	\$ 5,756,063	\$ 6,252,889	\$ 6,261,021	\$ 6,330,964	\$ 6,457,184	\$ 6,662,071	\$ 6,873,585	\$ 7,091,944
5.4 Capital Expenses										
5.4.1 Debt Service	\$ 2,214,378	\$ 2,812,624	\$ 3,031,832	\$ 2,259,555	\$ 2,742,807	\$ 2,755,232	\$ 3,185,965	\$ 3,196,815	\$ 3,345,781	\$ 3,362,081
5.4.2 Capital Outlays from Revenue	\$ -	\$ -	\$ -	\$ -	\$ 1,642,860	\$ 3,686,687	\$ 1,893,500	\$ 3,581,833	\$ 1,479,500	\$ 1,047,000
5.4.3 Capital Outlays from Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,703,000	\$ -	\$ 2,315,000	\$ -
5.4.4 Subtotal Capital Expenses	\$ 2,214,378	\$ 2,812,624	\$ 3,031,832	\$ 2,259,555	\$ 4,385,667	\$ 6,441,919	\$ 11,782,465	\$ 6,778,648	\$ 7,140,281	\$ 4,409,081
5.5 Total Expnses	\$ 7,716,820	\$ 8,474,103	\$ 8,787,895	\$ 8,512,444	\$ 10,646,688	\$ 12,772,883	\$ 18,239,649	\$ 13,440,719	\$ 14,013,866	\$ 11,501,025
5.6 Operating Cash Balance (Deficit)										
5.6.1 Annual Net Revenue					\$ 303,665	\$ (1,282,480)	\$ 520,730	\$ (788,090)	\$ 1,578,699	\$ 2,432,647
5.7 Account Transfers										
5.7.1 Transfer from Water and Sewer (W/S) Capital Account ⁽⁶⁾					\$ -	\$ 1,282,480	\$ -	\$ 788,090	\$ -	\$ -
5.7.2 Transfers to Water and Sewer Capital Account ⁽⁷⁾					\$ 1,819,546	\$ -	\$ 496,546	\$ -	\$ 1,527,362	\$ 2,405,726
5.8 Account Balances										
5.8.1 W/S Operating Account Balance Before Transfer				\$ 2,287,788	\$ 2,591,453	\$ (510,574)	\$ 1,292,637	\$ 8,001	\$ 2,374,791	\$ 3,280,076
5.8.2 W/S Operating Account Balance After Transfer				\$ -	\$ 771,907	\$ 771,907	\$ 796,091	\$ 796,091	\$ 847,428	\$ 874,349
5.8.3 W/S Capital Account Balance Before Transfer				\$ 4,122,390	\$ 4,122,390	\$ 5,941,936	\$ 4,659,456	\$ 5,156,002	\$ 4,367,912	\$ 5,895,274
5.8.4 W/S Capital Account Balance After Transfer				\$ -	\$ 5,941,936	\$ 4,659,456	\$ 5,156,002	\$ 4,367,912	\$ 5,895,274	\$ 8,301,000
5.8.5 Total Combined Account Balance				\$ 6,410,178	\$ 6,713,843	\$ 5,431,363	\$ 5,952,093	\$ 5,164,003	\$ 6,742,702	\$ 9,175,350
5.9 Operating Account Balance Goal:		45 Days Operating Expenses			\$ 771,907	\$ 780,530	\$ 796,091	\$ 821,351	\$ 847,428	\$ 874,349

Notes

1. Water and sewer fees are understood to include meter revenues.
2. Personnel Services include salaries, payroll taxes, and employee benefits.
3. Administrative commodities include insurance, training and memberships, supplies and postage, maintenance agreements, and data services.
4. Contractual Services include consulting and other professional services.
5. FY 2023 uses budget numbers since audit is only available for FY 2020-FY 2022
6. If the annual net revenue for any year is negative, the spreadsheet will transfer the amount of the negative balance from the S/W Capital Fund to the Operating Fund
7. If the annual net revenue for any year is positive, the spreadsheet will transfer funds to the W/S Capital Fund in an amount to leave the required operating reserves in the Operating Fund

Table C1
Proposed Rates (Alternative 4)
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024

Description		Present FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Percent Escalation						
								FY2025	FY2026	FY2027	FY2028	FY2029		
1.1	Unit Rates													
1.1.1	Water Volume Charge	Per 1,000 gal.	\$ 12.93	\$ 12.93	\$ 13.12	\$ 13.32	\$ 13.52	\$ 13.72	0.00%	1.50%	1.50%	1.50%	1.50%	
1.1.2	Sewer Volume Charge	Per 1,000 gal.	\$ 12.36	\$ 12.36	\$ 12.85	\$ 13.37	\$ 13.90	\$ 14.46	0.00%	4.00%	4.00%	4.00%	4.00%	
1.1.3	Total Combined Unit Rate	Per 1,000 gal.	\$ 25.29	\$ 25.29	\$ 25.98	\$ 26.69	\$ 27.42	\$ 28.18						
1.2	Fixed Meter Rates													
1.2.1	Water													
1.2.1.1	Up to 1" water	Monthly	\$ 15.77	\$ 15.77	\$ 16.08	\$ 16.41	\$ 16.73	\$ 17.07	0.00%	2.00%	2.00%	2.00%	2.00%	
1.2.1.2	1.25-1.5"	Monthly	\$ 23.66	\$ 23.66	\$ 24.13	\$ 24.62	\$ 25.11	\$ 25.61	0.00%	2.00%	2.00%	2.00%	2.00%	
1.2.1.3	2"	Monthly	\$ 31.54	\$ 31.54	\$ 32.17	\$ 32.81	\$ 33.47	\$ 34.14	0.00%	2.00%	2.00%	2.00%	2.00%	
1.2.1.4	3"	Monthly	\$ 47.31	\$ 47.31	\$ 49.20	\$ 51.17	\$ 53.22	\$ 55.34	0.00%	4.00%	4.00%	4.00%	4.00%	
1.2.1.5	4"	Monthly	\$ 63.08	\$ 63.08	\$ 65.60	\$ 68.22	\$ 70.95	\$ 73.79	0.00%	4.00%	4.00%	4.00%	4.00%	
1.2.1.6	6"	Monthly	\$ 94.62	\$ 94.62	\$ 98.40	\$ 102.34	\$ 106.43	\$ 110.69	0.00%	4.00%	4.00%	4.00%	4.00%	
1.2.1.7	8"	Monthly	\$ 126.16	\$ 126.16	\$ 131.20	\$ 136.45	\$ 141.91	\$ 147.58	0.00%	4.00%	4.00%	4.00%	4.00%	
1.2.1.8	10"	Monthly	\$ 157.69	\$ 157.69	\$ 164.00	\$ 170.56	\$ 177.38	\$ 184.48	0.00%	4.00%	4.00%	4.00%	4.00%	
1.2.1.9	12"	Monthly	\$ 189.23	\$ 189.23	\$ 208.16	\$ 228.97	\$ 251.87	\$ 277.06	0.00%	10.00%	10.00%	10.00%	10.00%	
1.2.2	Sewer													
1.2.2.1	Up to 1" sewer	Monthly	\$ 18.51	\$ 18.51	\$ 19.07	\$ 19.64	\$ 20.23	\$ 20.83	0.00%	3.00%	3.00%	3.00%	3.00%	
1.2.2.2	1.25-1.5"	Monthly	\$ 27.77	\$ 27.77	\$ 28.60	\$ 29.46	\$ 30.34	\$ 31.25	0.00%	3.00%	3.00%	3.00%	3.00%	
1.2.2.3	2"	Monthly	\$ 37.02	\$ 37.02	\$ 38.13	\$ 39.28	\$ 40.45	\$ 41.67	0.00%	3.00%	3.00%	3.00%	3.00%	
1.2.2.4	3"	Monthly	\$ 55.53	\$ 55.53	\$ 58.86	\$ 62.39	\$ 66.14	\$ 70.11	0.00%	6.00%	6.00%	6.00%	6.00%	
1.2.2.5	4"	Monthly	\$ 74.04	\$ 74.04	\$ 78.48	\$ 83.19	\$ 88.18	\$ 93.48	0.00%	6.00%	6.00%	6.00%	6.00%	
1.2.2.6	6"	Monthly	\$ 111.06	\$ 111.06	\$ 117.73	\$ 124.79	\$ 132.28	\$ 140.21	0.00%	6.00%	6.00%	6.00%	6.00%	
1.2.2.7	8"	Monthly	\$ 148.08	\$ 148.08	\$ 156.97	\$ 166.39	\$ 176.37	\$ 186.95	0.00%	6.00%	6.00%	6.00%	6.00%	
1.2.2.8	10"	Monthly	\$ 185.10	\$ 185.10	\$ 196.21	\$ 207.98	\$ 220.46	\$ 233.69	0.00%	6.00%	6.00%	6.00%	6.00%	
1.2.2.9	12"	Monthly	\$ 222.13	\$ 222.13	\$ 244.34	\$ 268.77	\$ 295.65	\$ 325.21	0.00%	10.00%	10.00%	10.00%	10.00%	

Table C2
Revenues From Proposed Rates
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024

Description	Projected FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029
2.1 Charges						
2.1.1 Water Volume Charge	\$ 4,538,430	\$ 4,538,430	\$ 4,606,506	\$ 4,675,604	\$ 4,745,738	\$ 4,816,924
2.1.2 Sewer Volume Charge	\$ 4,338,360	\$ 4,338,360	\$ 4,511,894	\$ 4,692,370	\$ 4,880,065	\$ 5,075,268
2.1.3 Water Meter Charge	\$ 872,180	\$ 872,180	\$ 898,033	\$ 924,860	\$ 952,709	\$ 981,635
2.1.4 Sewer Meter Charge	\$ 1,014,667	\$ 1,014,667	\$ 1,058,328	\$ 1,104,174	\$ 1,152,332	\$ 1,202,935
2.1.6 Total Projected Revenue	\$ 10,763,638	\$ 10,763,638	\$ 11,074,762	\$ 11,397,008	\$ 11,730,844	\$ 12,076,762
	Water %					
	50.3%	50.3%	49.7%	49.1%	48.6%	48.0%
	Sewer %					
	49.7%	49.7%	50.3%	50.9%	51.4%	52.0%

Months of FY25 Rates: 12

1. The Village's fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

**Table C3
Operating Results With Proposed Rates
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024**

	Actual FY2020	Actual FY2021	Actual FY2022	Budget FY2023	Projected FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029
3.1	Billing Quantities									
3.1.1	Number of Accounts									
3.1.2	Billable Volume (1,000 Gallons/Year)									
	-	-	-	2,973	2,973	2,973	2,973	2,973	2,973	2,973
	368,387	326,093	351,726	357,564	351,000	351,000	351,000	351,000	351,000	351,000
3.2	Revenues									
3.2.1	\$ 5,059,511	\$ 4,400,740	\$ 4,218,502	\$ 5,362,177	\$ 4,538,430	\$ 4,538,430	\$ 4,606,506	\$ 4,675,604	\$ 4,745,738	\$ 4,816,924
3.2.2	\$ 5,116,645	\$ 4,592,556	\$ 6,028,141	\$ 5,164,582	\$ 4,338,360	\$ 4,338,360	\$ 4,511,894	\$ 4,692,370	\$ 4,880,065	\$ 5,075,268
3.2.3	-	-	-	-	\$ 872,180	\$ 872,180	\$ 898,033	\$ 924,860	\$ 952,709	\$ 981,635
3.2.4	-	-	-	-	\$ 1,014,667	\$ 1,014,667	\$ 1,058,328	\$ 1,104,174	\$ 1,152,332	\$ 1,202,935
3.2.5	\$ 275,558	\$ 111,435	\$ 190,170	\$ 293,993	\$ 183,627	\$ 185,463	\$ 187,318	\$ 189,191	\$ 191,083	\$ 192,994
3.2.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,703,000	\$ -	\$ 2,315,000	\$ -
3.2.7	\$ 4,423	\$ 3,525	\$ 1,226	\$ 61,327	\$ 3,089	\$ 3,119	\$ 3,151	\$ 3,182	\$ 3,214	\$ 3,246
3.2.8	Total Revenue Before Transfers									
	\$ 10,456,137	\$ 9,108,256	\$ 10,438,039	\$ 10,882,079	\$ 10,950,353	\$ 10,952,220	\$ 17,968,231	\$ 11,589,382	\$ 14,240,141	\$ 12,273,002
3.3	Operating Expenses									
3.3.1	\$ 2,012,839	\$ 2,080,574	\$ 2,008,164	\$ 2,334,538	\$ 2,033,900	\$ 2,123,612	\$ 2,123,612	\$ 2,198,491	\$ 2,276,098	\$ 2,356,532
3.3.2	\$ 128,948	\$ 132,143	\$ 131,322	\$ 154,738	\$ 306,138	\$ 323,488	\$ 333,192	\$ 343,188	\$ 353,484	\$ 364,088
3.3.3	\$ 353,193	\$ 439,352	\$ 583,080	\$ 607,640	\$ 618,148	\$ 590,103	\$ 607,806	\$ 626,040	\$ 644,821	\$ 664,166
3.3.4	\$ 951,577	\$ 1,097,620	\$ 1,003,921	\$ 952,843	\$ 1,039,035	\$ 1,012,013	\$ 1,042,373	\$ 1,073,645	\$ 1,105,854	\$ 1,139,030
3.3.5	\$ 2,055,885	\$ 1,911,790	\$ 2,029,576	\$ 2,203,130	\$ 2,263,800	\$ 2,281,749	\$ 2,350,201	\$ 2,420,707	\$ 2,493,328	\$ 2,568,128
3.3.7	Subtotal Operating Expenses									
	\$ 5,502,442	\$ 5,661,479	\$ 5,756,063	\$ 6,252,889	\$ 6,261,021	\$ 6,330,964	\$ 6,457,184	\$ 6,662,071	\$ 6,873,585	\$ 7,091,944
3.4	Capital Expenses									
3.4.1	\$ 2,214,378	\$ 2,812,624	\$ 3,031,832	\$ 2,259,555	\$ 2,742,807	\$ 2,755,232	\$ 3,185,965	\$ 3,196,815	\$ 3,345,781	\$ 3,362,081
3.4.2	\$ -	\$ -	\$ -	\$ -	\$ 1,642,860	\$ 3,686,687	\$ 1,893,500	\$ 3,581,833	\$ 1,479,500	\$ 1,047,000
3.4.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,703,000	\$ -	\$ 2,315,000	\$ -
3.4.4	Subtotal Capital Expenses									
	\$ 2,214,378	\$ 2,812,624	\$ 3,031,832	\$ 2,259,555	\$ 4,385,667	\$ 6,441,919	\$ 11,782,465	\$ 6,778,648	\$ 7,140,281	\$ 4,409,081
3.5	Total Expenses									
	\$ 7,716,820	\$ 8,474,103	\$ 8,787,895	\$ 8,512,444	\$ 10,646,688	\$ 12,772,883	\$ 18,239,649	\$ 13,440,719	\$ 14,013,866	\$ 11,501,025
3.6	Operating Cash Balance (Deficit)									
3.6.1	Annual Net Revenue									
					\$ 303,665	\$ (1,820,662)	\$ (271,418)	\$ (1,851,337)	\$ 226,275	\$ 771,977
3.7	Account Transfer									
3.7.1	Transfer from Water and Sewer Capital Account ⁽¹⁾									
					\$ -	\$ 1,820,662	\$ 271,418	\$ 1,851,337	\$ -	\$ -
3.7.2	Transfers to Water and Sewer Capital Account ⁽²⁾									
					\$ 1,819,546	\$ -	\$ -	\$ -	\$ 150,753	\$ 745,056
3.8	Account Balances									
3.8.1	W/S Operating Account Balance Before Transfer			\$ 2,287,788	\$ 2,591,453	\$ (1,048,756)	\$ 500,489	\$ (1,079,431)	\$ 998,182	\$ 1,619,406
3.8.2	W/S Operating Account Balance After Transfer				\$ 771,907	\$ 771,907	\$ 771,907	\$ 771,907	\$ 847,428	\$ 874,349
3.8.3	W/S Capital Account Balance Before Transfer			\$ 4,122,390	\$ 4,122,390	\$ 5,941,936	\$ 4,121,274	\$ 3,849,856	\$ 1,998,519	\$ 2,149,272
3.8.4	W/S Capital Account Balance After Transfer				\$ 5,941,936	\$ 4,121,274	\$ 3,849,856	\$ 1,998,519	\$ 2,149,272	\$ 2,894,329
3.8.5	Total Combined Account Balance			\$ 6,410,178	\$ 6,713,843	\$ 4,893,181	\$ 4,621,763	\$ 2,770,426	\$ 2,996,701	\$ 3,768,678
3.9	Operating Account Reserve Goal									
	45 Days Operating Expenses				\$ 771,907	\$ 780,530	\$ 796,091	\$ 821,351	\$ 847,428	\$ 874,349

Notes:

1. If the annual net revenue for any year is negative, the spreadsheet will transfer the amount of the negative balance from the S/W Capital Fund to the Operating Fund
2. If the annual net revenue for any year is positive, the spreadsheet will transfer funds to the W/S Capital Fund in an amount to leave the required operating reserves in the Operating Fund
3. The Village's fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

**Table C4
Projected Monthly Bills - Select Customers
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024**

	Meter Size	Typical Monthly Usage (Units ¹)	Current FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029
4.1	Residential Monthly Billings							
4.1.1	Average Family (Up To 1")		4.0 \$	135 \$	135 \$	139 \$	143 \$	147 \$
4.1.2	Percent Increase				0.0%	2.7%	2.7%	2.7%
4.2	Large User Monthly Billings							
4.2.1	Customer A	1	9.0 \$	1,249 \$	1,249 \$	1,283 \$	1,318 \$	1,354 \$
4.2.2		1 1/2	37.0		0.0%	2.7%	2.7%	2.8%
4.2.3	Customer B	3/4	57.0 \$	1,476 \$	1,476 \$	1,516 \$	1,557 \$	1,600 \$
4.2.4					0.0%	2.7%	2.7%	2.8%
4.2.5	Customer C	2	22.0 \$	625 \$	625 \$	642 \$	659 \$	677 \$
4.2.6					0.0%	2.7%	2.7%	2.7%
4.2.7	Customer D	1 1/2	14.0 \$	405 \$	405 \$	416 \$	428 \$	439 \$
4.2.8					0.0%	2.7%	2.7%	2.7%
4.2.9	Customer E	4	52.0 \$	2,651 \$	2,651 \$	2,730 \$	2,812 \$	2,896 \$
4.2.10		4	42.0		0.0%	3.0%	3.0%	3.0%
4.2.11	Customer F	2	10.0 \$	321 \$	321 \$	330 \$	339 \$	348 \$
4.2.12					0.0%	2.7%	2.7%	2.7%
4.2.13	Customer G	2	247.0 \$	6,315 \$	6,315 \$	6,487 \$	6,664 \$	6,848 \$
4.2.14					0.0%	2.7%	2.7%	2.8%
4.2.15	Customer H	4	1,349.0 \$	34,253 \$	34,253 \$	35,189 \$	36,155 \$	37,154 \$
4.2.16					0.0%	2.7%	2.7%	2.8%
4.2.17	Customer I	2	1,181.0 \$	29,936 \$	29,936 \$	30,751 \$	31,592 \$	32,462 \$
4.2.18					0.0%	2.7%	2.7%	2.8%
4.2.19	Customer J	1 1/2	847.0 \$	21,472 \$	21,472 \$	22,056 \$	22,660 \$	23,284 \$
4.2.20					0.0%	2.7%	2.7%	2.8%
4.2.21	Customer K	1 1/2	720.0 \$	18,260 \$	18,260 \$	18,757 \$	19,270 \$	19,801 \$
4.2.22					0.0%	2.7%	2.7%	2.8%
4.2.23	Customer L	10	452.0 \$	13,811 \$	13,811 \$	14,203 \$	14,609 \$	15,029 \$
4.2.24		10	67.0		0.0%	2.8%	2.9%	2.9%
4.2.25	Customer M	3	407.0 \$	10,396 \$	10,396 \$	10,681 \$	10,976 \$	11,281 \$
4.2.26					0.0%	2.7%	2.8%	2.8%
4.2.27	Customer N	3	322.0 \$	19,910 \$	19,910 \$	20,461 \$	21,030 \$	21,618 \$
4.2.28		4	307.0		0.0%	2.8%	2.8%	2.8%
4.2.29		4	105.0					
4.2.30		1	37.0					
4.2.31	Customer O	3	295.0 \$	7,563 \$	7,563 \$	7,772 \$	7,987 \$	8,209 \$
4.2.32					0.0%	2.8%	2.8%	2.8%
4.2.33	Customer P	4	276.0 \$	8,340 \$	8,340 \$	8,570 \$	8,808 \$	9,054 \$
4.2.34		1	47.0		0.0%	2.8%	2.8%	2.8%

Notes:

1. One unit is equal to 1,000 gallons
2. The Village's fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends.
For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

**Table C5
Operating Results With Proposed Rates
Water and Sewer Rate Study
Village of Itasca, Illinois
September 2024**

Projected Total Annual Costs		Typical Annual Usage (Units ¹)	Meter Size	Current FY2024	Projected FY2025	Projected FY2026	Projected FY2027	Projected FY2028	Projected FY2029	
4.1	Customer Q									
4.1.1	Total All Accounts	3,584.0	-	\$ 86,734	\$ 86,734	\$ 89,050	\$ 91,442	\$ 93,914	\$ 96,470	
4.1.2	Percent Increase				0.0%	2.7%	2.7%	2.7%	2.7%	
4.1.2.1	Account 1	41.6	1							
4.1.2.2	Account 2	233.3	2							
4.1.2.3	Account 3	12.0	1							Water Only
4.1.2.4	Account 4	118.7	4							Water Only
4.1.2.5	Account 5	800.0	2							
4.1.2.6	Account 6	1,240.5	3/4							
4.1.2.7	Account 7	825.0	6							Water Only
4.1.2.8	Account 8	313.0	6							
4.2	Customer R									
4.2.1	Total All Accounts	1,340.3		\$ 39,277	\$ 39,277	\$ 40,456	\$ 41,679	\$ 42,947	\$ 44,262	
4.2.2	Percent Increase				0.0%	3.0%	3.0%	3.0%	3.1%	
4.2.3.1	Account 1	392.0	3							
4.2.3.2	Account 2	605.3	3							
4.2.3.3	Account 3	16.8	1							
4.2.3.4	Account 4	326.3	4							
4.2.3.5	Account 5		5/8							

Notes:

1. One unit is equal to 1,000 gallons
2. The Village's fiscal year begins on May 1st of each year and the fiscal year is labeled as the year that the fiscal year ends. For example, Fiscal Year 2026 begins on May 1, 2025 and ends on April 30, 2026.

Appendix B Existing Water and Sewer Rate Ordinance

ORDINANCE NO. 2066-23

AN ORDINANCE AMENDING § 54.03 AND § 54.04 OF THE ITASCA VILLAGE CODE

WHEREAS, Itasca Village Code, § 54.05 gives the Board of Trustees authority to adopt rates to be charged for usage of the Village's water and sewer systems; and

WHEREAS, the Village Public Works Director and Village Finance Director have, at the direction of the Village Board, submitted proposed water and sewer rates to be charged by the Village; and

WHEREAS, the corporate authorities of the Village of Itasca have reviewed the proposed water and sewer rates and wish to set those water and sewer rates so as to provide for the fiscal needs of its water and sewer systems; and

WHEREAS, it is the intent of the corporate authorities of the Village of Itasca that the water and sewer rates adopted shall be reviewed from time to time to determine if the rates are still appropriate for the systems' needs.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Itasca, DuPage County, Illinois, as follows:

SECTION ONE: Section 54.03 of the Village Code shall be amended as follows:

§ 54.03 WATER USER SERVICE CHARGES.

Rates and charges for the use of and for the service supplied by the village waterworks, are based on water meter readings of the amount of water consumed and the size of the service pipe providing water to the user. The rates and charges are as follows:

<i>Fiscal Year</i>	<i>2024</i>
up to 1" service	\$15.77
1.25-1.5" service	\$23.66
2" service	\$31.54
3" service	\$47.31
4" service	\$63.08
6" service	\$94.62
8" service	\$126.16
10" service	\$157.69
12" service	\$189.23
Combined Water Usage Rate (per 1,000 gallons)	\$12.93

(A) The rates listed above take effect on May 1, 2023.

(B) The user shall pay the listed monthly minimum charge for the service diameter specified plus the product of the water used during that month at the rate per 1,000 gallons.

(C) Non-residents. Wherever any facility, dwelling or building uses either sewer or water, or both, and such facility, dwelling or building is located outside the village limits, then the user or same shall pay a rate 150% of the residential rates and charges provided in this chapter.

SECTION TWO: Section 54.04 of the Village Code shall be amended as follows:

§ 54.04 SEWER USER SERVICE CHARGES.

Rates and charges for the use of the village sewer system are based on water meter readings of the amount of water consumed by a user. The rates and charges are as follows:

<i>Fiscal Year</i>	<i>2024</i>
up to 1" service	\$18.51
1.25-1.5" service	\$27.77
2" service	\$37.02
3" service	\$55.53
4" service	\$74.04
6" service	\$111.06
8" service	\$148.08
10" service	\$185.10
12" service	\$222.13
Combined Water Usage Rate (per 1,000 gallons)	\$12.36

(A) The rates listed above take effect on May 1, 2023.

SECTION THREE: SEVERABILITY. The various provisions of this Ordinance are to be considered as severable, and if any part or portion of this Ordinance shall be held invalid by any Court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance.

SECTION FOUR: REPEAL OF PRIOR ORDINANCES. All prior Ordinances and Resolutions in conflict or inconsistent herewith are hereby expressly repealed only to the extent of such conflict or inconsistency.

SECTION FIVE: EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

	Trustee Aiani	Trustee Daly	Trustee Gavanese	Trustee Leahy	Trustee Madaras	Trustee Powers	Mayor Pruyn
Aye	<input checked="" type="checkbox"/>	<input type="checkbox"/>					
Nay	<input type="checkbox"/>	<input type="checkbox"/>					
Absent	<input type="checkbox"/>	<input type="checkbox"/>					
Abstain	<input type="checkbox"/>	<input type="checkbox"/>					

APPROVED and ADOPTED by the Village President and Board of Trustees of the Village of Itasca this 2nd day of May, 2023.

APPROVED:


Village President Jeffery J. Pruyn


Village Clerk Jody Conidi





Stanley Consultants INC.

www.stanleyconsultants.com

RESOLUTION NO. 1569-24

**A RESOLUTION ACCEPTING
THE WATER AND SEWER RATE STUDY REPORT FOR FY 2025 – FY 2029
AND APPROVING ALTERNATIVE 4**

WHEREAS, the Village Board approved a Professional Service Agreement with Stanley Consultants for the preparation of a comprehensive Water and Sewer Rate Study for FY 2025 – FY 2029; and

WHEREAS, following the presentation of rate structure alternatives by Stanley Consultants, the Village Board provided direction at the Village Board meeting held on June 18, 2024 to finalize the study as presented and proceed with Alternative 4; and

WHEREAS, the Village of Itasca received the final Water and Sewer Rate Study Report for FY 2025 – FY 2029 dated September 27, 2024, attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Village President and the Board of Trustees of the Village of Itasca, DuPage County, Illinois, as follows:

SECTION ONE: The corporate authorities of the Village of Itasca hereby accept Exhibit A, the Water and Sewer Rate Study Report FY 2025 – FY 2029 dated September 27, 2024; approve Alternative 4 as presented; and direct the Village Clerk to file Exhibit A with the appropriate Village records.

SECTION TWO: SEVERABILITY. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION THREE: REPEAL OF PRIOR RESOLUTIONS. All prior Resolutions and Ordinances in conflict or inconsistent herewith are hereby expressly repealed only to the extent of such conflict or inconsistency.

SECTION FOUR: EFFECTIVE DATE. This Resolution shall be in effect immediately following its passage, approval, and publication in pamphlet form.

	Trustee Aiani	Trustee Daly	Trustee Gavanis	Trustee Leahy	Trustee Madaras	Trustee Powers	Mayor Pruyn
Aye	<input type="checkbox"/>						
Nay	<input type="checkbox"/>						
Absent	<input type="checkbox"/>						
Abstain	<input type="checkbox"/>						

APPROVED and ADOPTED by the Village President and Board of Trustees of the Village of Itasca this 15th day of October, 2024.

APPROVED:

Village President Jeffery J. Pruyn

ATTEST:

Village Clerk Jody Conidi