

# United City of Yorkville

Water Rate Presentation - Five Year Plan

June 10, 2025

# Overview

- Quick overview of Lake Michigan project status
- Changes since this was discussed in 2022
- Project costs and timing
- Five year plan assumptions in the FY 26 Budget
- Five year rate schedule proposal
- Brief discussion of other alternatives analyzed but not recommended

# Lake Michigan Project Status

- City Council has chosen to transition to Lake Michigan water source, via DuPage Water Commission (DWC) and City of Chicago
- City has a Lake Michigan water allocation permit from IDNR
- City has spent ~\$23m in the past couple years to plan and design the system

# Lake Michigan Project Status

- Construction will start in earnest in 2026, all the way from the south end of Naperville to Oswego, Montgomery, and Yorkville
- First drop of Lake Michigan water in Yorkville is expected to be available in 2028

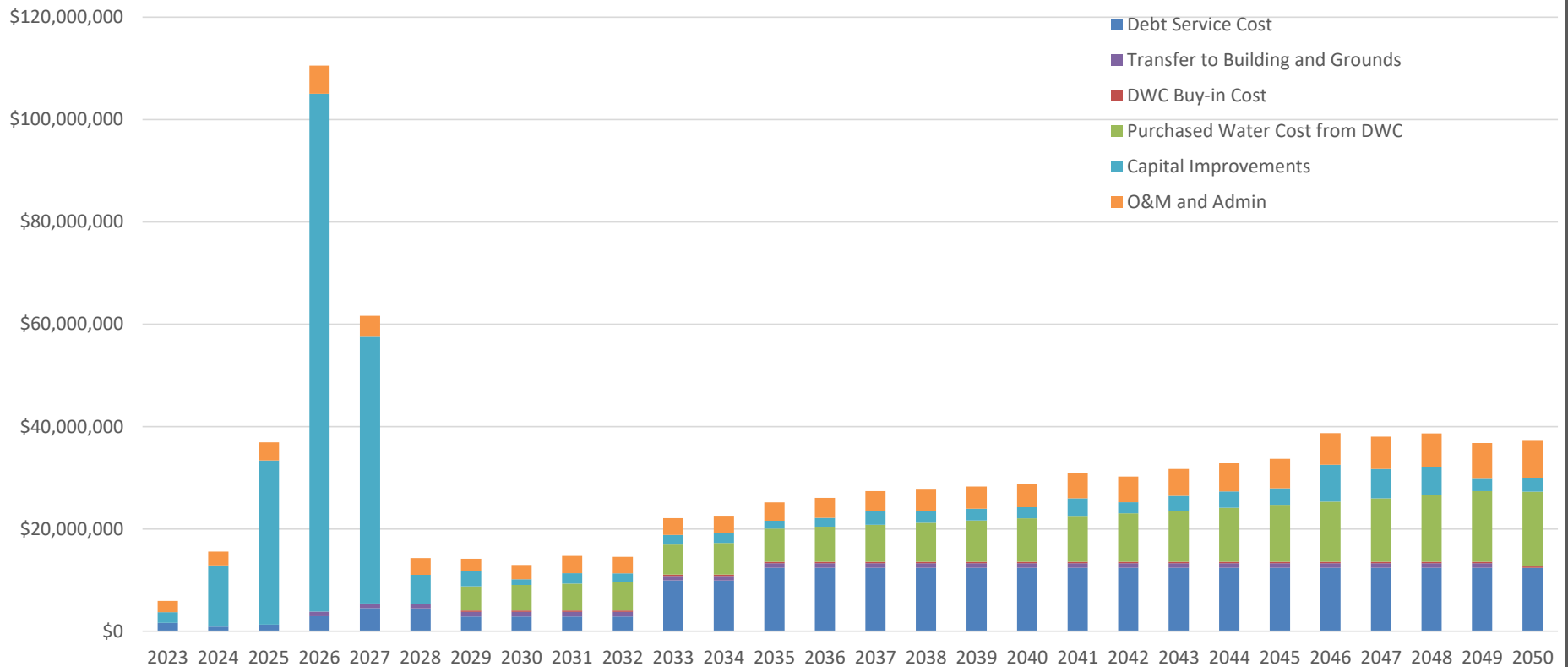
# Lake Michigan Project Status

- First construction bid package will be reviewed by DWC this Fall, providing the first opportunity to compare project cost estimates to actual construction costs
- Current Project Cost Estimates for DWC Transmission Main Only:
  - ~\$307m for Oswego, Yorkville, and Montgomery
  - ~\$124m for Yorkville
    - Cost estimates do not include watermain replacement and other local projects
- Project is being paid for by ~\$25m in normal municipal bonds, ~\$28m in low interest state loans, and ~\$120m in federal WIFIA loans

# What has changed with cost estimates?

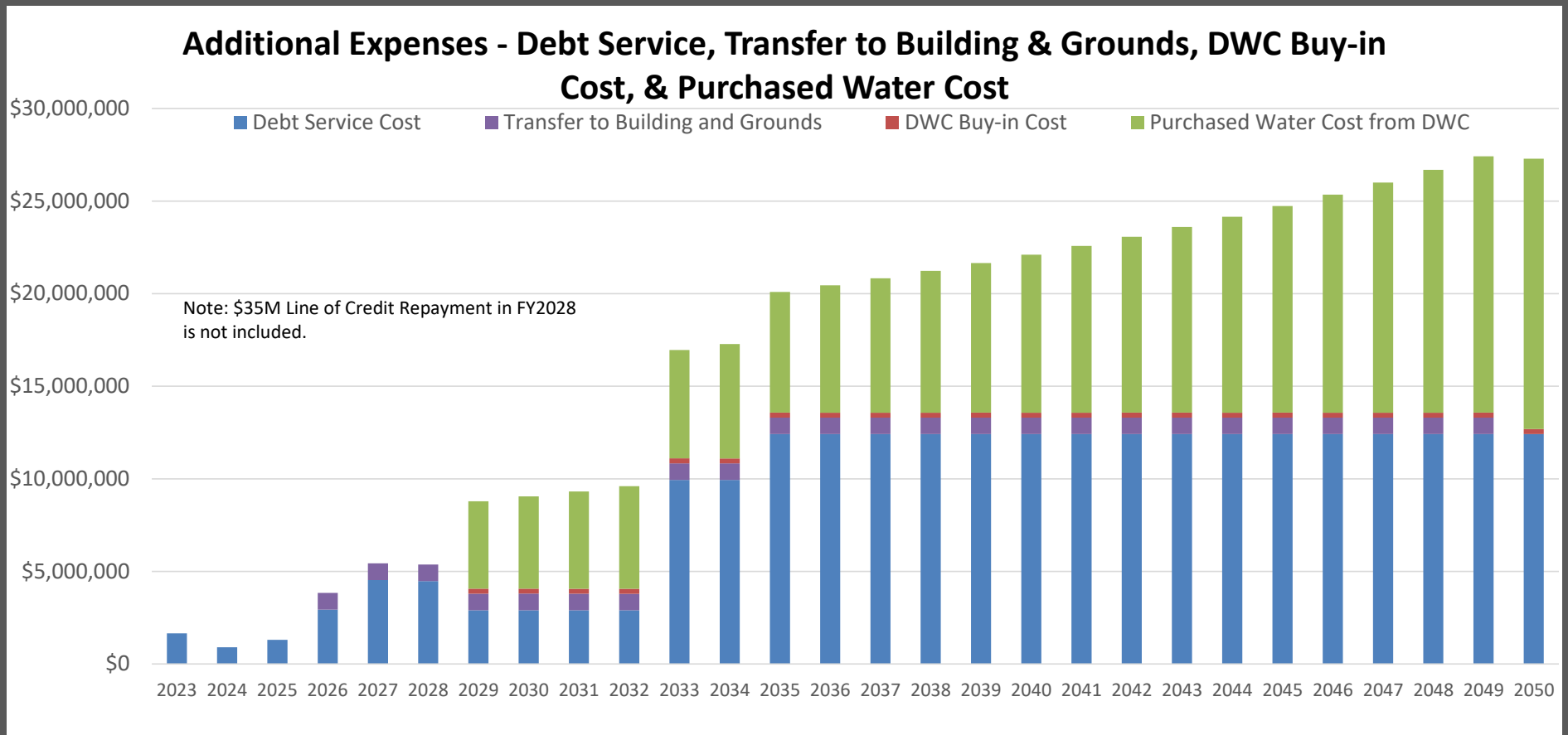
- Construction inflation has outpaced historical averages
- The City was mandated to replace all 10.7 miles of watermain in town that were constructed before 1980, at an estimated cost of ~\$26m
- Originally assumed wholesale water rate has been impacted by Chicago mayoral changes and negotiations between the DuPage Water Commission, Grand Prairie Water Commission (Joliet), and Chicago

# Timing of Project Expenditures



Note: \$35M Line of Credit repayment in FY2028 is not included.

# Timing of Project Expenditures





## Budget Assumptions - Water Revenue

- FY 23 Actual - \$3,900,000
- FY 24 Actual - \$4,400,000
- FY 25 Projected - \$5,600,000
- FY 26 Budgeted - \$7,000,000 (~25%)
- FY 27 Budgeted - \$8,800,000 (~25%)
- FY 28 Budgeted - \$10,600,000 (~20%)
- FY 29 Budgeted - \$12,700,000 (~20%)
- FY 30 Budgeted - \$15,200,000 (~20%)

## Five Year Water Rate Plan, Matching Budget

- All water rates shown are bi-monthly minimum fees plus the Water Infrastructure Fee for the first 350 cubic feet used, then a volumetric fee for every 100 cubic feet used
- FY 25 Actual - \$49.50 minimum fee + \$5.80 volumetric
- FY 26 Budgeted - \$58.27 minimum fee + \$7.28 volumetric
- FY 27 Budgeted - \$68.97 minimum fee + \$9.10 volumetric
- FY 28 Budgeted - \$79.67 minimum fee + \$10.92 volumetric
- FY 29 Budgeted - \$92.45 minimum fee + \$13.10 volumetric
- FY 30 Budgeted - \$107.73 minimum fee + \$15.72 volumetric

# Five Year Water Rate Plan, Matching Budget

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Tear on perforated line and return top portion with your check.  
Retain this portion for records.

## UNITED CITY OF YORKVILLE UTILITY BILL

ACCOUNT NUMBER	SERVICE ADDRESS	BILL DATE
0105111400-09	123 MAIN ST	04/30/2025

WATER / SEWER BILLING PERIOD		CURRENT CHARGES	
Current Reading Date:	04/08/2025	YBSD	NOT IMPACTED \$95.00
Previous Reading Date:	02/05/2025	WATER	YES \$88.10
Type of Reading:	ACTUAL	SEWER	NOT IMPACTED \$22.15
Current Reading:	132900	REFUSE	NOT IMPACTED \$40.64
Previous Reading:	131600	WINF FEE	YES \$16.50
Usage:	1300	SINF FEE	NOT IMPACTED \$8.00
Average Daily Usage in Cubic Ft.:	20.97	RINF FEE	NOT IMPACTED \$16.00
		PREVIOUS BALANCE	\$0.00

Total Due On/Before:	06/05/2025	NO	\$286.39
Total Due After:	06/05/2025	NO	\$315.03

Please see other side for additional service information.

### MESSAGE CENTER

[Annual Drinking Water Quality Report](#)

## Bill estimates shown on next slide!

- All fees listed are bi-monthly minimum fees, rolling the water infrastructure fee into the minimum fee
- Proposed plan keeps the first 350 cubic feet used as free to the user (i.e. rolled into the minimum fee)
- Any water used past 350 cubic feet in a billing cycle is billed at the volumetric rate listed per 100 cubic feet
- Calculations are given on a billing cycle basis, annualized basis over the five-year proposal, and total paid over the five-year proposal

# Bill estimates shown on next slide!

- Minimum residential user
  - Homes who use less than 350 cubic feet in a billing cycle
  - Roughly 11% of all users
- Average residential user
  - Homes who use between 351 cubic feet and 1000 cubic feet in a billing cycle
  - Roughly 41% of all users
- High residential user
  - Homes who use between 1001 cubic feet and 1600 cubic feet in a billing cycle
  - Roughly 24% of all users
- Average Yorkville restaurant
  - The average Yorkville restaurant uses 10,000 cubic feet in a billing cycle
- Large commercial user
  - The largest commercial water users in town use 70,000 cubic feet in a billing cycle

# Five Year Water Rate Plan, Matching Budget

Fiscal Year	<u>Proposed Water Rates and Bill Impacts</u>											
	<u>Bi-Monthly Figures</u>											
	Base Rate Plus Infrastructure Fee	Rate per 100 cubic feet	Minimum Residential User Bill	% Increase	Average Residential User Bill	% Increase	High Residential User Bill	% Increase	Average Yorkville Restaurant's Bill	% Increase	Large Commercial User Bill	% Increase
25 (Previous)	\$49.50	\$5.80	\$ 50		\$ 87	0.0%	\$ 122		\$ 609		\$ 4,089	
26 (Current)	\$58.27	\$7.28	\$ 58	17.7%	\$ 106	21.1%	\$ 149	22.4%	\$ 761	24.9%	\$ 5,129	25.4%
27	\$68.97	\$9.10	\$ 69	18.4%	\$ 128	21.3%	\$ 183	22.4%	\$ 947	24.5%	\$ 6,407	24.9%
28	\$79.67	\$10.92	\$ 80	15.5%	\$ 151	17.6%	\$ 216	18.3%	\$ 1,133	19.7%	\$ 7,685	20.0%
29	\$92.45	\$13.10	\$ 92	16.0%	\$ 178	17.9%	\$ 256	18.5%	\$ 1,357	19.7%	\$ 9,217	19.9%
30	\$107.73	\$15.72	\$ 108	16.5%	\$ 210	18.2%	\$ 304	18.7%	\$ 1,625	19.8%	\$ 11,057	20.0%
Average Annual Bill			\$489		\$926		\$1,330		\$6,987		\$47,394	
5 Year Total Paid			\$2,443		\$4,631		\$6,652		\$34,936		\$236,968	

## Items to note – Five Year Water Rate Plan

- Rates for FY 26 are based on an assumed City Council approval in June 2025, for the billing cycle that begins July 1<sup>st</sup>.
  - If approval is delayed, each successive billing cycle missed costs ~\$300,000 in lost revenue that must be planned around

## Items to note – Five Year Water Rate Plan

- We are showing a five-year water rate plan, but WIFIA will require a 40-year water plan
  - 40-year plan is extremely unrealistic due to variance in community growth projections and WIFIA reserve standards



## Items to note – Five Year Water Rate Plan

- City Council will be able to review and revise the rates every year at time of budget
  - Best guess from City staff is that the five-year water rate plan will not change much in that timeframe, given WIFIA bond payments hitting in full in 2033
  - Possible positive factors for residents
    - Capital payments from large commercial users and data centers?
    - Bid prices for Lake Michigan water source project beat engineer's estimates
      - Conservative contingency amounts assumed throughout
    - When Joliet connects to Lake Michigan in ~2030, City should receive a more favorable wholesale rate than current assumptions

## Other rate plans considered by staff

- City staff spent weeks looking at as many as seven different rate structures. Final recommendation made to keep things most simple and in-line with what the City Council has done in the past.
- Lower base rate, higher volumetric rate
  - Minimally benefits minimal, average, and high residential users
  - Maximally hurts all restaurants and large commercial users
- Higher base rate, lower volumetric rate
  - Maximally hurts minimal and average residential users
  - Benefits restaurant and large commercial users
- Eliminate or phase out the 350 cubic foot free allocation
  - Maximally hurts minimal and average residential users
  - Minimally benefits restaurants and large commercial users

## Next Steps

• Discussion and Feedback by City Council - June 10, 2025

• Up for consideration by City Council - June 24, 2025

OR

Up for consideration by City Council, - July 2025  
with revenue impacts

# Questions?

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