

CITY OF MATTOON

Water Rate Study

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March 2010

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SECTION 1: EXECUTIVE SUMMARY

Water rates for the City of Mattoon have not been raised since May 2002. Since that time there has been a decrease in volume of water sold which has reduced revenues. Water sales revenue declined from 3.1 million in FY03/04 to 2.8 million in FY08/09. Over the same period inflation has gone up 17 percent (Chicago CPI; 181.4 in May 2002 to 212.2 in November 2009). Inflation and the decrease in sales, taken together, are equivalent to a decline of 25 percent in purchasing power from our revenues since May of 2002.

Water revenues are currently only covering operating costs and debt service with capital expenditures being funded from cash balance that existed in 2002. The water fund has remained solvent over that time due to cost cutting measures. We have controlled the increase of operating expenses by reducing staff via the early retirement incentive offered in 2002. The trend of reducing costs by reducing employees has continued through the years. In FY01/02 the total employee costs equaled 1.2 million dollars by FY08/09 that had reduced to 1.07 million dollars; an 11 percent reduction in employee costs over a seven-year period.

This study details the revenues and expenses for the water fund since FY04/05 and projects expenses through FY15/16. Those projected expenses (operating, capital, and debt service) are used to define the revenue requirements needed to place the fund on firm financial footing for the next six years.

This process reveals a need to raise water rates for next fiscal year, followed by scheduled rate increases each May as shown below. The full rate tables are shown in Appendix C.

Table 1.1 – Proposed Base Water Rate through FY15/16

(\$/100 ft³)

	Current Rate	10/11 Rate	11/12 Rate	12/13 Rate	13/14 Rate	14/15 Rate	15/16 Rate
Inside City	2.96	3.23	3.39	3.56	3.66	3.77	3.89
Outside City	4.58	4.99	5.24	5.50	5.67	5.84	6.01

This water rate study is being accompanied by a sewer rate study. Shown below is the effect the proposed changes in the two rates will have on a monthly city utility bill.

Table 1.2 – Change to Average Household City Utility Bill

	Current Rates	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Water Bill for Average house (461 cuft)	15.25	16.61	17.45	18.32	18.87	19.44	20.02
Sewer Bill for Average house (461 cuft)	22.20	23.65	24.94	25.73	26.54	27.50	28.37
Utility Tax for Average house (461 cuft)	0.76	0.83	0.87	0.92	0.94	0.97	1.00
Total Bill for Average house (461 cuft)	38.21	41.09	43.27	44.97	46.36	47.91	49.39
		7.6%	5.3%	3.9%	3.1%	3.3%	3.1%

With an assumed usage of 461 ft³ per month, which was the average household usage in 2009, the average home in Mattoon will see a monthly increase of \$2.88 for their city utility bill, an increase of 7.6 percent.

SECTION 2: BACKGROUND

The City of Mattoon last completed a Water Rate Study in April 2002. Crawford, Murphy & Tilly, Inc. conducted that study. The City Council acted on the recommendation of that study and raised the water rates by thirteen percent on June 1, 2002. Water rates have not been raised since that increase.

2.1 CHANGES IN WATER DEPARTMENT

There have been many changes to the water department since 2002, some have reduced costs others have meant greater expenditures. The following is a list of significant changes in the department since the 2002 rate study.

Revenue Positive Changes:

- 1) the Water Department was combined with the Sewer Department and Street Department to become the Public Works Department; and
- 2) in 2002 the City offered an early retirement incentive program and did not replace retired water employees; and

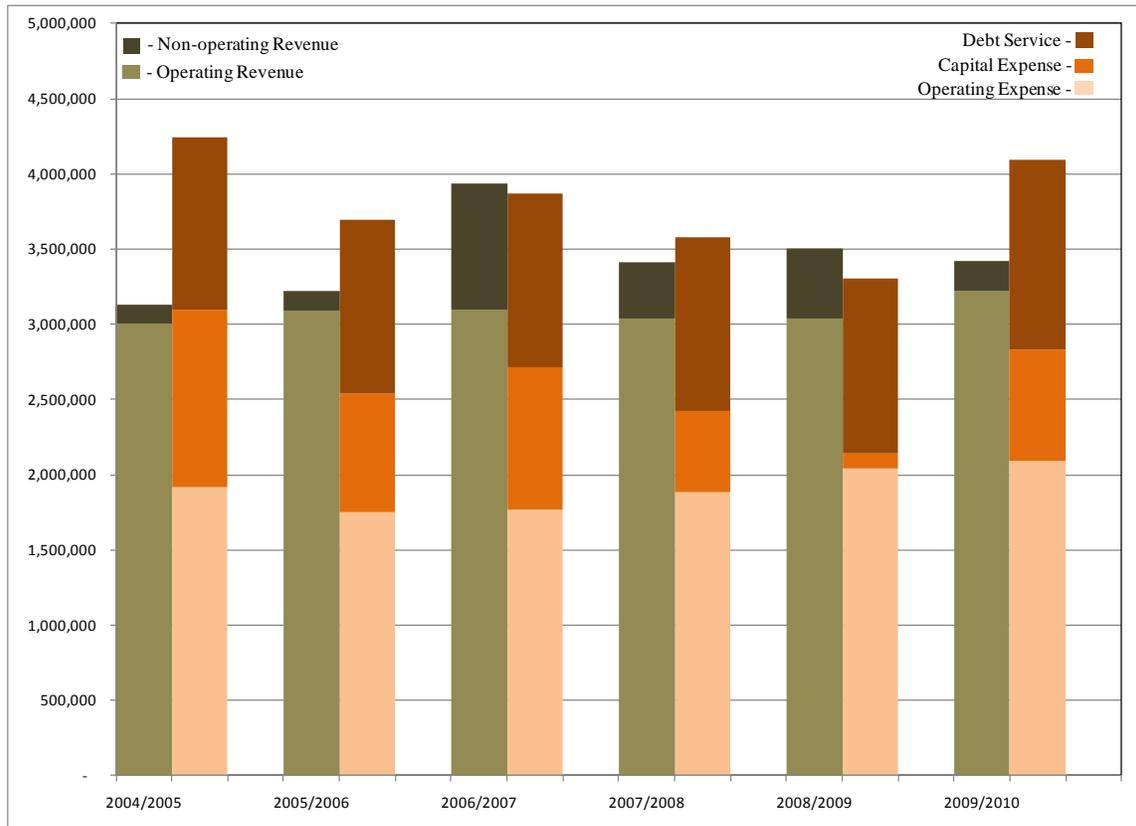
- 3) historically low interest rates allowed for the refinancing of outstanding debt yielding a lower annual debt service; and
- 4) new water sales contracts with R. R. Donnelley and the Village of Humboldt were signed which made their rates equal to other extraterritorial users; and
- 5) the City changed the policy for granting adjustments for leaks making it more difficult to reduce payment and intensified collection of unpaid bills; and
- 6) the City sold the Doran's farm land which generated a one-time cash gain of over \$400,000; and
- 7) the City has sold the majority of the residential rental lots at Lake Paradise to the leaseholders and paid a one-time fee to Paradise Township to take over the maintenance of East Lake Paradise Road, this has added much more non-operating revenue than the city will see in future years; and
- 8) in 2009 the City again offered an early retirement incentive program and does not plan to replace some retired water employees; and
- 9) the city has entered into a water sales agreement with Moultrie County Rural Public Water District to provide them with 100,000 gallons of water each day.

Revenue Negative Changes:

- 10) there have been several major capital projects; the Home Depot Stand Pipe, the carbon permanganate system for taste and odor control, the repainting of the three existing water towers, the Lake Paradise Clean Lakes Project and the renovation of the Lake Paradise raw water pumping station; and
- 11) the City has undertaken a major initiative to replace or retrofit all of the meters in the system and has implemented new billing software; and
- 12) the annual payment for the water fund retirees health insurance cost is now paid from the water fund, in the past those payments had been from the general fund, in FY09/10 the payment was \$90,000; and
- 13) annual water sales have decreased from 681 million gallons sold in 2002 to 588 million gallons sold in 2009, a thirteen percent decrease.

The cost cutting measures implemented since 2002 have succeeded in controlling the operating expenses in the water fund. Since FY02 operating expenses have increased 10 percent, which well below inflation. However, over the past eight years total revenues have not covered our total expenses. In 2002 the water fund had a cash balance of four million dollars, which is a high fund balance if there is no long-term plan for the money. Thus over the past seven years we have funded capital projects from our fund balance. As shown in Chart 2.1 in years with low expenditures on capital projects we have had revenues exceed expenses but in most years we have run a deficit. Since 2002 the balance has decreased 4.0 million dollars to its current value of 1.33 million.

Chart 2.1 – Historic Revenues and Expenses FY04 through FY10

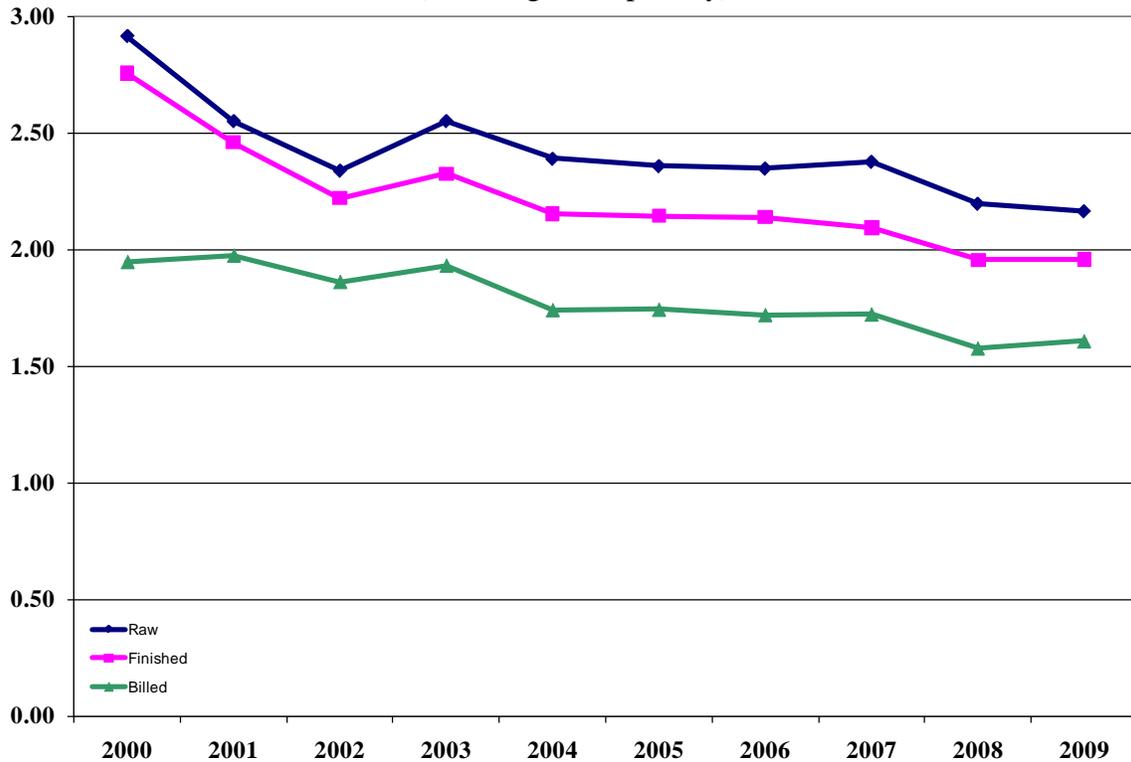


(For data see Appendix A.)

2.2 WATER USAGE AND SALES

To correctly assign rates the total water treated and billed must be accurately known. Employees at the water treatment plant maintain a daily log recording the amount of raw water drawn from Lake Paradise and Lake Mattoon and the amount of treated water that is pumped to town. The total volume billed is taken from the city water billing system. Chart 2.2 shows the water usage and sales for the past ten years.

Chart 2.2 – Mattoon Water Usage and Sales (Calendar 2000 - 2009)
(million gallons per day)



(Data for this graph is contained in Appendix B.)

The graph shows that there has been a decrease in water sales from 1.95 million gallons per day in 2000 to 1.61 million gallons per day for 2009. The one-year increase in 2003 was related to sales to Embarrass Rural Water District before they began purchasing their water from Illinois American Water Company. The cause for the decrease in water sales is not entirely known. We know that some of our large industrial customers have made changes to their plant to reduce their water usage but a significant portion decline remains unexplained. There is some good news; from 2008 to 2009 billed water sales increase 2

percent. The revenue projections in this report assume no further increase or decrease in water sales for the next five years but this is an assumption that will need to be monitored.

Another interesting trend shown in Chart 2.2 is the large decrease in water pumped from our lakes. Before our new water treatment plant brought online in 1999 all of the water that was pumped from the lakes ended up in town and eventually in Kickapoo Creek. Now, with the new plant sitting on Lake Paradise, the majority of the water used to treat our water, that is the difference between the blue line on the graph and the pink line, is emptied back into Lake Paradise. Thus in 2000 almost 2.9 million gallons of water each day was pumped out of our lakes, today we are removing less than two million gallons each day from our lake system. We are leaving 900,000 gallons more water each day in our lakes than ten years ago. This is water that is now available as a resource for future growth.

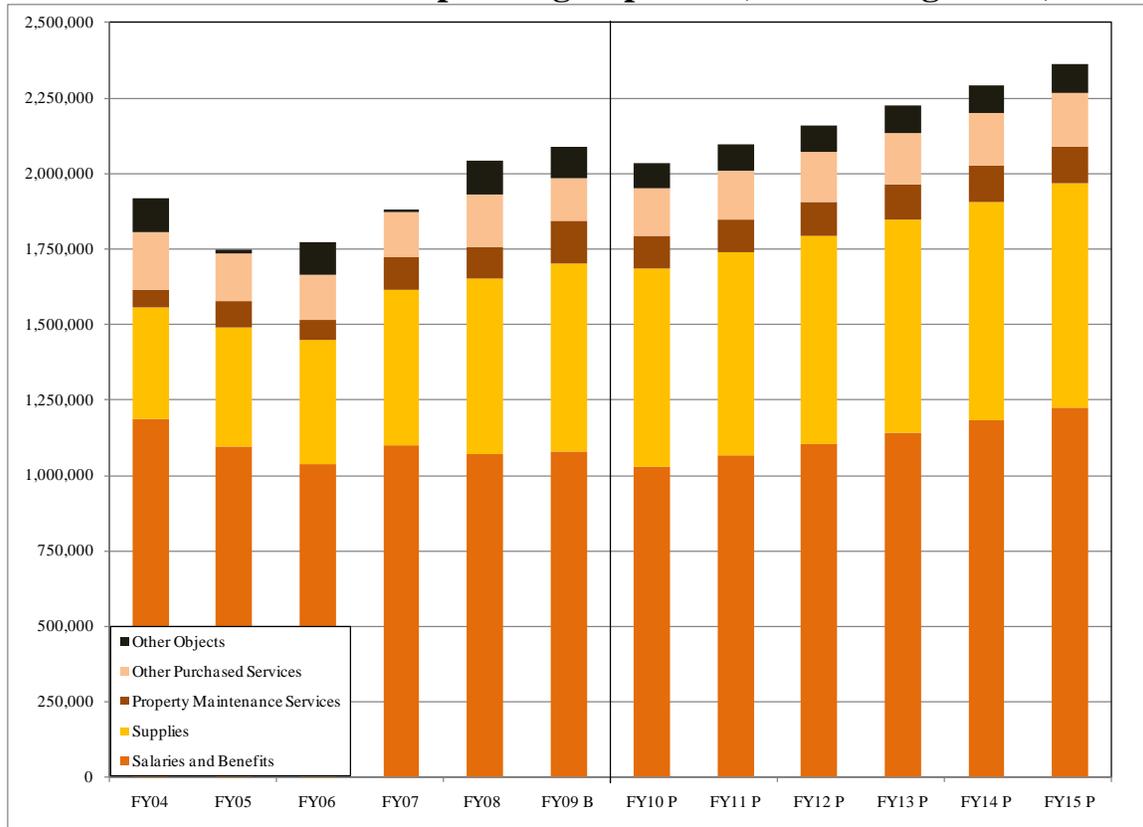
SECTION 3: REVENUE REQUIREMENTS

In this section expenses are projected for the next five years. The expenses include three components; operating expenses, debt service, and capital expenditures/depreciation. The operating expenses are projected from past years with increases for inflation. The debt service is a known number set by our past loans and bonds. In Section 2 the actual capital projects for past years were shown; in this section the projected expenses are the planned projects from the 5-year Capital Improvement Plan. The projected expenses are added together to define the future revenue requirements for the water fund.

3.1 OPERATING EXPENSES

The operating expenses of the past six years have varied between 1.75 million dollars a year to as high as 2.25 million. The spike in FY03 was due to payments from the water fund to the city's general fund for work performed by the city's engineering forces, included in Chart 3.1 as "Other Objects" and the FY05 spike was the repair and repainting of the filters at the water treatment plant, included as "Property Maintenance."

Chart 3.1 – Annual Operating Expenses (2004 through 2015)



(Data for this graph is contained in Appendix D)

The two most significant trends in the operating expenses have been the decrease in Personnel Services and Benefits over the last five years and the increase in Supplies. The Salaries and Benefits have gone down due to steady staff reductions. That process has now fully played itself out and no further reductions are expected. The increases in Supplies are due to increased cost for water treatment chemicals and higher electricity costs. The projections are based on the average past values increasing at an annual inflation rate 2.5 percent. The projected operating expenses are shown in Table 3.1.

Table 3.1 – Projected Operating Expenses (FY10 through FY15)

Category	FY10 P	FY11 P	FY12 P	FY13 P	FY14 P	FY15 P
Salaries and Benefits	1,029,324	1,065,350	1,102,638	1,141,230	1,181,173	1,222,514
Supplies	657,267	673,699	690,541	707,805	725,500	743,637
Property Maintenance Services	106,585	109,249	111,981	114,780	117,650	120,591
Other Purchased Services	157,557	161,496	165,533	169,672	173,913	178,261
Other Objects	84,565	86,679	88,846	91,067	93,344	95,677
TOTAL OPERATING EXPENSES	2,035,297	2,096,473	2,159,538	2,224,553	2,291,579	2,360,681

3.2 DEBT SERVICE

The debt service payments are fixed values set by previous council action. Chart 3.2 gives past and future debt payments.

Table 3.2 – Debt Service Payments Schedule

	Bond Debt			Loan Debt	Total Debt Service
	Water Series 2003 G.O. Bonds	ERI Series 2003A G.O. Bonds (Water Portion)	Bond Total	IEPA - Water Loan	
2004/2005	583,655	48,291	631,946	522,429	1,154,376
2005/2006	586,355	48,078	634,433	522,429	1,156,862
2006/2007	588,605	47,811	636,416	522,429	1,158,846
2007/2008	590,405	47,492	637,897	522,429	1,160,326
2008/2009	596,755	47,119	643,874	522,429	1,166,303
2009/2010	597,505	47,915	645,420	522,429	1,167,850
2010/2011	607,505	48,606	656,111	522,429	1,178,540
2011/2012	611,840	47,967	659,807	522,429	1,182,236
2012/2013	619,720	48,498	668,218	522,429	1,190,647
2013/2014	626,240		626,240	522,429	1,148,669
2014/2015	631,350		631,350	522,429	1,153,779
2015/2016				522,429	522,429
2016/2017				522,429	522,429
2017/2018				522,429	522,429
2018/2019				522,429	522,429
2019/2020				522,429	522,429
2020/2023*				522,429	522,429

3.3 CAPITAL EXPENDITURES/DEPRECIATION

The expenditures for capital projects vary greatly from year to year as shown in Chart 3.3. Since the last rate increase there have been four major capital projects; the Home Depot Stand Pipe, the carbon permanganate system, the repainting of the three existing water towers, and the Lake Paradise Clean Lakes Project.

Table 3.3 – Historic Capital Expenditures

Year	Capital Expenses
FY04	1,174,310
FY05	795,845
FY06	943,637
FY07	540,543
FY08	99,054
5-year Average	710,678

To estimate future capital expenditures the water treatment plant superintendent, public works superintendent, and the public works direct have prepared a multi-year capital improvement plan, shown in Table 3.4.

Table 3.4 – Water Capital Improvement Plan

Project	10/11	11/12	12/13	13/14	14/15	15/16
Paradise Pumphouse	400,000					
Altitude Valve on West Tower	40,000					
Radio Read Water Meters	75,000	75,000	75,000			
Charleston Avenue Bridge	54,500					
Repairs to Lake Paradise Dam		400,000				
2nd Stage Lagoon at WTP			50,000			
Repainting SBL Tank			300,000			
System-wide Hydrant Upgrade			100,000			
System-wide Water Model				50,000		
Water Looping Projects				300,000	300,000	
New Clearwell at WTP					75,000	425,000
Annual Total	569,500	475,000	525,000	350,000	375,000	425,000

3.4 TOTAL REVENUE REQUIREMENTS

The total revenue requirement for the next six years is the sum of the operating expenses, debt payments, and capital projects. The values are shown in Table 3.5.

Table 3.5 – Projected Revenue Requirements (FY10 through FY15)

	Operating Expenses	Debt Service	Capital Projects	Total Expenses
FY10 P	2,035,297	1,260,788	569,500	3,865,585
FY11 P	2,096,473	1,274,735	475,000	3,846,209
FY12 P	2,159,538	1,281,809	525,000	3,966,347
FY13 P	2,224,553	1,293,709	350,000	3,868,263
FY14 P	2,291,579	1,255,561	375,000	3,922,140
FY15 P	2,360,681	1,264,412	425,000	4,050,093

SECTION 4: RATE CALCULATION

The last step in this study is to determine the necessary water rates which must be charged for future revenues to equal the future expenses. To do this the projected total expenses are used to define the total required revenues. A simplifying assumption will be made at this point; the rate increase will be equal for all rate groups and total revenues will be assumed to increase at that rate, i.e. total sales volume will remain unchanged.

Given those assumptions the water rate base water rate for the next six years are suggested to be as shown in Table 4.1, beginning with a proposed increase of 9 percent on May 1, 2010. The full tables for the proposed rates are shown in Appendix C.

Table 4.1 – Proposed Base Water Rate through FY2015
(\$/100 ft³)

Base Rate	Current	FY10	FY11	FY12	FY13	FY14	FY15
Inside City	2.96	3.23	3.39	3.56	3.66	3.77	3.89
Outside City	4.58	4.99	5.24	5.50	5.67	5.84	6.01
Percent Increase	-	9%	5%	5%	3%	3%	3%

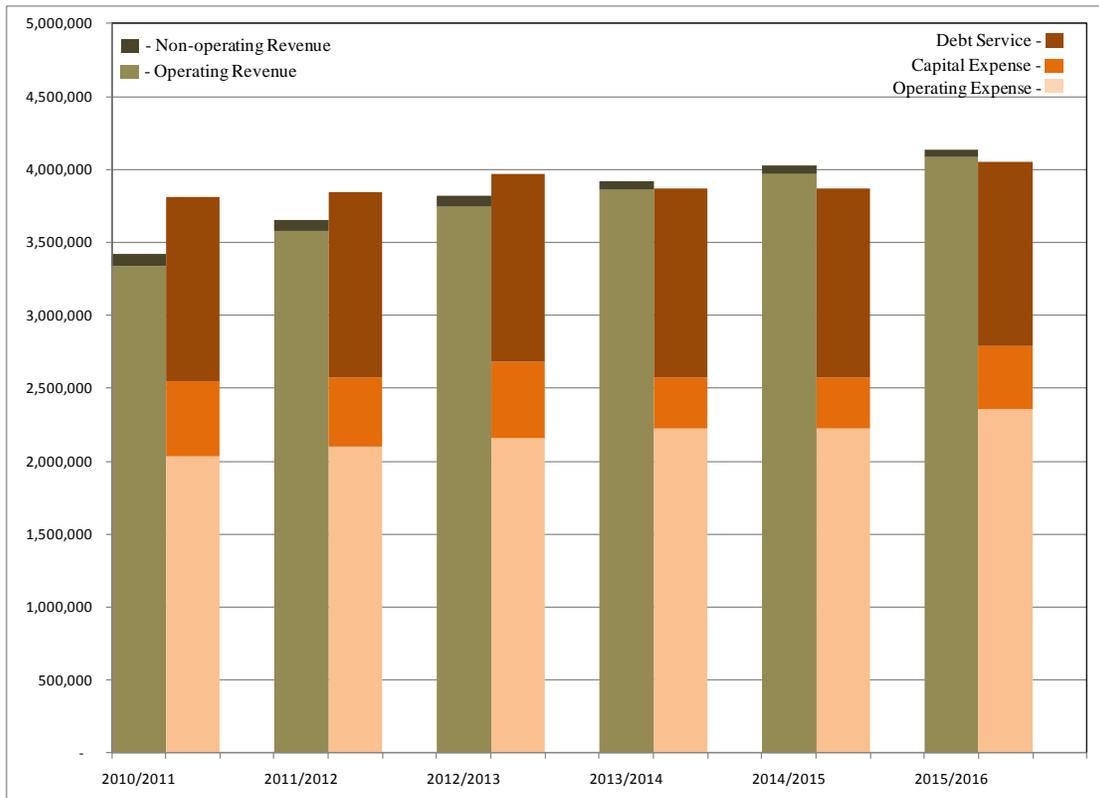
Implementing these proposed rate increases will not immediately balance the water fund budget. Over the next three years the fund will reach the point when all expenses are

funded, as shown in Table 4.2 and Chart 4.1 on the next page. In FY13 the water fund will begin to see annual surpluses.

Table 4.2 – Water Fund Projected Revenues and Projected Expenses Under the Proposed Rate Schedule

	Projectes Expenses	Projected Revenues	Annual Net
FY10 P	3,865,585	3,424,421	(441,165)
FY11 P	3,846,209	3,655,497	(190,712)
FY12 P	3,966,347	3,817,897	(148,450)
FY13 P	3,868,263	3,916,509	48,246
FY14 P	3,922,140	4,023,379	101,239
FY15 P	4,050,093	4,133,605	83,513

Chart 4.1 – Water Fund Required Revenues and Total Projected Expenses under the Proposed Rate Schedule



APPENDIX A – STATEMENT OF REVENUES AND EXPENSES (FY04 through FY15)**Water Fund Revenues and Expenses – Historic – FY04 through FY09**

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
	Actual	Actual	Actual	Actual	Actual	Budget
Water Sales	2,746,264	2,967,455	2,861,362	2,873,951	2,764,152	3,000,000
Utility Taxes	105,724	108,502	99,666	100,317	95,381	100,000
Reliant Energy Sales	61,500	65,573	63,341	76,807	76,368	75,000
Farm Income	17,480	17,480	17,600	22,043	19,433	5,000
Leases & Rentals	50,289	30,247	25,136	18,672	18,980	17,500
Permits & Tapping Fees	8,585	4,140	9,010	11,208	3,883	7,500
Misc. & Sundry Revenues	18,245	16,656	18,324	33,984	58,002	20,000
Operating Revenues	3,008,086	3,091,551	3,092,670	3,036,665	3,036,199	3,225,000
Interest Earnings	29,951	50,104	51,153	48,222	35,954	27,500
Sale of Capital Assets	13,200	77,512	518,491	93,133	430,275	150,000
State Capital Grants	76,000	0	276,033	199,725	0	18,000
Contributed Capital	0	0	0	38,015	1,053	0
Non-operating Revenues	119,151	127,616	845,677	379,095	467,282	195,500
TOTAL REVENUES	3,127,239	3,219,155	3,938,347	3,415,760	3,503,481	3,420,500
Total Operating Expenses	1,919,670	1,747,406	1,770,631	1,880,524	2,040,449	2,087,865
Total Capital Expenses	1,174,310	795,845	943,637	540,543	99,054	743,782
Total Debt Service	1,145,585	1,155,179	1,157,144	1,159,771	1,161,230	1,258,095
TOTAL EXPENSES	4,239,566	3,698,430	3,871,411	3,580,838	3,300,732	4,089,742
Annual Deficit	-1,112,328	-479,275	66,936	-165,078	202,749	-669,242

APPENDIX A – STATEMENT OF REVENUES AND EXPENSES (FY04 through FY15)**Water Fund Revenues and Expenses – Projected – FY10 through FY15**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	Projected	Projected	Projected	Projected	Projected	Projected
Water Sales	3,098,474	3,331,398	3,497,968	3,602,907	3,710,994	3,822,324
Utility Taxes	108,447	116,599	122,429	126,102	129,885	133,781
Reliant Energy Sales	70,000	70,000	70,000	70,000	70,000	70,000
Farm Income	5,000	5,000	5,000	5,000	5,000	5,000
Leases & Rentals	17,500	17,500	17,500	17,500	17,500	17,500
Permits & Tapping Fees	7,500	7,500	7,500	7,500	7,500	7,500
Misc. & Sundry Revenues	27,500	27,500	27,500	27,500	27,500	27,500
Operating Revenues	3,334,421	3,575,497	3,747,897	3,856,509	3,968,379	4,083,605
Interest Earnings	40,000	40,000	40,000	40,000	40,000	40,000
Sale of Capital Assets	50,000	40,000	30,000	20,000	15,000	10,000
State Capital Grants	0	0	0	0	0	0
Contributed Capital	0	0	0	0	0	0
Non-operating Revenues	90,000	80,000	70,000	60,000	55,000	50,000
TOTAL REVENUES	3,424,421	3,655,497	3,817,897	3,916,509	4,023,379	4,133,605
Total Operating Expenses	2,035,297	2,096,473	2,159,538	2,224,553	2,291,579	2,360,681
Total Capital Expenses	569,500	475,000	525,000	350,000	375,000	425,000
Total Debt Service	1,260,788	1,274,735	1,281,809	1,293,709	1,255,561	1,264,412
TOTAL EXPENSES	3,865,585	3,846,209	3,966,347	3,868,263	3,922,140	4,050,093
Annual Deficit	-441,165	-190,712	-148,450	48,246	101,239	83,513

APPENDIX B – WATER USAGE AND SALES
Table B.1 – Raw Water Usage and Treated Water Sales (Calendar 2000 - 2009)
 (million of gallons per day)

Year	Raw Water Pumped from Lake	Finished Water Pumped to Town	Billed Water Total
2000	2.92	2.76	1.95
2001	2.55	2.46	1.98
2002	2.34	2.22	1.86
2003	2.55	2.33	1.93
2004	2.39	2.16	1.74
2005	2.36	2.15	1.75
2006	2.35	2.14	1.72
2007	2.38	2.10	1.73
2008	2.20	1.96	1.58
2009	2.17	1.96	1.61

Table B.2 – Water Volume Billed (2009)

(million of gallons per day)

	Inside	Outside	TOTAL
Residential	0.734	0.058	0.793 <i>49 %</i>
Commercial	0.503	0.325	0.829 <i>51 %</i>
TOTAL	1.238 <i>76 %</i>	0.384 <i>24 %</i>	1.621

Table B.3 – Water Customers by Group (2009)

(number of users)

	Inside	Outside	TOTAL
Residential	6,480	415	6,894 <i>87 %</i>
Commercial	987	49	1,035 <i>13 %</i>
TOTAL	7,466 <i>94 %</i>	464 <i>6 %</i>	7,929

APPENDIX C – CURRENT AND PROPOSED WATER RATES

Table C.1 – Current Mattoon Water Rates

Service Code	Service Group	Monthly Base Charge (\$)	0 cuft to 2,000 cuft (\$/100 cuft)	2,000 cuft to 300,000 cuft (\$/100 cuft)	Greater than 300,000 cuft (\$/100 cuft)
GAL	Gallon Meters	5.40	2.96	2.36	1.87
W01	Residential 5/8" - Inside	1.60			
W02	Residential 3/4" - Inside	5.40			
W03	Residential 1" - Inside	8.10			
W04	Residential 1 1/2" - Inside	16.20			
W05	Residential 2" - Inside	21.60			
W20	Commercial 5/8" - Inside	5.40			
W21	Commercial 3/4" - Inside	8.10			
W22	Commercial 1" - Inside	10.80			
W23	Commercial 1 1/2" - Inside	16.20			
W24	Commercial 2" - Inside	21.60			
W25	Commercial 3" - Inside	43.10			
W26	Commercial 4" - Inside	64.60			
W27	Commercial 6" - Inside	86.20			
W28	Commercial 8" - Inside	108.00	4.58	3.60	2.90
W11	Residential 5/8" - Outside	1.60			
W12	Residential 3/4" - Outside	5.40			
W13	Residential 1" - Outside	8.10			
W14	Residential 1 1/2" - Outside	16.20			
W15	Residential 2" - Outside	21.60			
W30	Commercial 5/8" - Outside	8.10			
W31	Commercial 3/4" - Outside	8.10			
W32	Commercial 1" - Outside	10.80			
W33	Commercial 1 1/2" - Outside	16.20			
W34	Commercial 2" - Outside	21.60			
W35	Commercial 3" - Outside	43.10			
W38	Commercial 4" - Outside	64.60			
W36	Commercial 6" - Outside	86.20			
W37	Commercial 8" - Outside	108.00			
W42	Humboldt	64.60			
W44	Clearwater (Treated water)	156.00			

APPENDIX C – CURRENT AND PROPOSED WATER RATES

Table C.2 – Proposed Mattoon Water Rates (May 2010 through April 2011)

Service Code	Service Group	Monthly Base Charge (\$)	0 cuft to 2,000 cuft (\$/100 cuft)	2,000 cuft to 300,000 cuft (\$/100 cuft)	Greater than 300,000 cuft (\$/100 cuft)
GAL	Gallon Meters	5.89			
W01	Residential 5/8" - Inside	1.74			
W02	Residential 3/4" - Inside	5.89			
W03	Residential 1" - Inside	8.83			
W04	Residential 1 1/2" - Inside	17.66			
W05	Residential 2" - Inside	23.54			
W20	Commercial 5/8" - Inside	5.89			
W21	Commercial 3/4" - Inside	8.83	3.23	2.57	2.04
W22	Commercial 1" - Inside	11.77			
W23	Commercial 1 1/2" - Inside	17.66			
W24	Commercial 2" - Inside	23.54			
W25	Commercial 3" - Inside	46.98			
W26	Commercial 4" - Inside	70.41			
W27	Commercial 6" - Inside	93.96			
W28	Commercial 8" - Inside	117.72			
W11	Residential 5/8" - Outside	1.74			
W12	Residential 3/4" - Outside	5.89			
W13	Residential 1" - Outside	8.83			
W14	Residential 1 1/2" - Outside	17.66			
W15	Residential 2" - Outside	23.54			
W30	Commercial 5/8" - Outside	8.83			
W31	Commercial 3/4" - Outside	8.83			
W32	Commercial 1" - Outside	11.77	4.99	3.92	3.16
W33	Commercial 1 1/2" - Outside	17.66			
W34	Commercial 2" - Outside	23.54			
W35	Commercial 3" - Outside	46.98			
W38	Commercial 4" - Outside	70.41			
W36	Commercial 6" - Outside	93.96			
W37	Commercial 8" - Outside	117.72			
W42	Humboldt	70.41			
W44	Clearwater (Treated water)	170.04			

APPENDIX C – CURRENT AND PROPOSED WATER RATES
Table C.3 – Proposed Mattoon Water Rates (May 2011 through April 2012)

Service Code	Service Group	Monthly Base Charge (<i>\$</i>)	0 cuft to 2,000 cuft (<i>\$/100 cuft</i>)	2,000 cuft to 300,000 cuft (<i>\$/100 cuft</i>)	Greater than 300,000 cuft (<i>\$/100 cuft</i>)
GAL	Gallon Meters	6.18	3.39	2.70	2.14
W01	Residential 5/8" - Inside	1.83			
W02	Residential 3/4" - Inside	6.18			
W03	Residential 1" - Inside	9.27			
W04	Residential 1 1/2" - Inside	18.54			
W05	Residential 2" - Inside	24.72			
W20	Commercial 5/8" - Inside	6.18			
W21	Commercial 3/4" - Inside	9.27			
W22	Commercial 1" - Inside	12.36			
W23	Commercial 1 1/2" - Inside	18.54			
W24	Commercial 2" - Inside	24.72			
W25	Commercial 3" - Inside	49.33			
W26	Commercial 4" - Inside	73.93			
W27	Commercial 6" - Inside	98.66			
W28	Commercial 8" - Inside	123.61	5.24	4.12	3.32
W11	Residential 5/8" - Outside	1.83			
W12	Residential 3/4" - Outside	6.18			
W13	Residential 1" - Outside	9.27			
W14	Residential 1 1/2" - Outside	18.54			
W15	Residential 2" - Outside	24.72			
W30	Commercial 5/8" - Outside	9.27			
W31	Commercial 3/4" - Outside	9.27			
W32	Commercial 1" - Outside	12.36			
W33	Commercial 1 1/2" - Outside	18.54			
W34	Commercial 2" - Outside	24.72			
W35	Commercial 3" - Outside	49.33			
W38	Commercial 4" - Outside	73.93			
W36	Commercial 6" - Outside	98.66			
W37	Commercial 8" - Outside	123.61			
W42	Humboldt	73.93			
W44	Clearwater (Treated water)	178.54			

APPENDIX C – CURRENT AND PROPOSED WATER RATES
Table C.4 – Proposed Mattoon Water Rates (May 2012 through April 2013)

Service Code	Service Group	Monthly Base Charge (\$)	0 cuft to 2,000 cuft (\$/100 cuft)	2,000 cuft to 300,000 cuft (\$/100 cuft)	Greater than 300,000 cuft (\$/100 cuft)
GAL	Gallon Meters	6.49			
W01	Residential 5/8" - Inside	1.92			
W02	Residential 3/4" - Inside	6.49			
W03	Residential 1" - Inside	9.73			
W04	Residential 1 1/2" - Inside	19.47			
W05	Residential 2" - Inside	25.96			
W20	Commercial 5/8" - Inside	6.49			
W21	Commercial 3/4" - Inside	9.73	3.56	2.84	2.25
W22	Commercial 1" - Inside	12.98			
W23	Commercial 1 1/2" - Inside	19.47			
W24	Commercial 2" - Inside	25.96			
W25	Commercial 3" - Inside	51.79			
W26	Commercial 4" - Inside	77.63			
W27	Commercial 6" - Inside	103.59			
W28	Commercial 8" - Inside	129.79			
W11	Residential 5/8" - Outside	1.92			
W12	Residential 3/4" - Outside	6.49			
W13	Residential 1" - Outside	9.73			
W14	Residential 1 1/2" - Outside	19.47			
W15	Residential 2" - Outside	25.96			
W30	Commercial 5/8" - Outside	9.73			
W31	Commercial 3/4" - Outside	9.73			
W32	Commercial 1" - Outside	12.98			
W33	Commercial 1 1/2" - Outside	19.47	5.50	4.33	3.49
W34	Commercial 2" - Outside	25.96			
W35	Commercial 3" - Outside	51.79			
W38	Commercial 4" - Outside	77.63			
W36	Commercial 6" - Outside	103.59			
W37	Commercial 8" - Outside	129.79			
W42	Humboldt	77.63			
W44	Clearwater (Treated water)	187.47			

APPENDIX C – CURRENT AND PROPOSED WATER RATES
Table C.5 – Proposed Mattoon Water Rates (May 2013 through April 2014)

Service Code	Service Group	Monthly Base Charge (\$)	0 cuft to 2,000 cuft (\$/100 cuft)	2,000 cuft to 300,000 cuft (\$/100 cuft)	Greater than 300,000 cuft (\$/100 cuft)
GAL	Gallon Meters	6.68			
W01	Residential 5/8" - Inside	1.98			
W02	Residential 3/4" - Inside	6.68			
W03	Residential 1" - Inside	10.03			
W04	Residential 1 1/2" - Inside	20.05			
W05	Residential 2" - Inside	26.74			
W20	Commercial 5/8" - Inside	6.68			
W21	Commercial 3/4" - Inside	10.03	3.66	2.92	2.31
W22	Commercial 1" - Inside	13.37			
W23	Commercial 1 1/2" - Inside	20.05			
W24	Commercial 2" - Inside	26.74			
W25	Commercial 3" - Inside	53.35			
W26	Commercial 4" - Inside	79.96			
W27	Commercial 6" - Inside	106.70			
W28	Commercial 8" - Inside	133.68			
W11	Residential 5/8" - Outside	1.98			
W12	Residential 3/4" - Outside	6.68			
W13	Residential 1" - Outside	10.03			
W14	Residential 1 1/2" - Outside	20.05			
W15	Residential 2" - Outside	26.74			
W30	Commercial 5/8" - Outside	10.03			
W31	Commercial 3/4" - Outside	10.03			
W32	Commercial 1" - Outside	13.37	5.67	4.46	3.59
W33	Commercial 1 1/2" - Outside	20.05			
W34	Commercial 2" - Outside	26.74			
W35	Commercial 3" - Outside	53.35			
W38	Commercial 4" - Outside	79.96			
W36	Commercial 6" - Outside	106.70			
W37	Commercial 8" - Outside	133.68			
W42	Humboldt	79.96			
W44	Clearwater (Treated water)	193.09			

APPENDIX C – CURRENT AND PROPOSED WATER RATES
Table C.6 – Proposed Mattoon Water Rates (May 2014 through April 2015)

Service Code	Service Group	Monthly Base Charge (\$)	0 cuft to 2,000 cuft (\$/100 cuft)	2,000 cuft to 300,000 cuft (\$/100 cuft)	Greater than 300,000 cuft (\$/100 cuft)
GAL	Gallon Meters	6.88			
W01	Residential 5/8" - Inside	2.04			
W02	Residential 3/4" - Inside	6.88			
W03	Residential 1" - Inside	10.33			
W04	Residential 1 1/2" - Inside	20.65			
W05	Residential 2" - Inside	27.54			
W20	Commercial 5/8" - Inside	6.88			
W21	Commercial 3/4" - Inside	10.33	3.77	3.01	2.38
W22	Commercial 1" - Inside	13.77			
W23	Commercial 1 1/2" - Inside	20.65			
W24	Commercial 2" - Inside	27.54			
W25	Commercial 3" - Inside	54.95			
W26	Commercial 4" - Inside	82.36			
W27	Commercial 6" - Inside	109.90			
W28	Commercial 8" - Inside	137.69			
W11	Residential 5/8" - Outside	2.04			
W12	Residential 3/4" - Outside	6.88			
W13	Residential 1" - Outside	10.33			
W14	Residential 1 1/2" - Outside	20.65			
W15	Residential 2" - Outside	27.54			
W30	Commercial 5/8" - Outside	10.33			
W31	Commercial 3/4" - Outside	10.33			
W32	Commercial 1" - Outside	13.77			
W33	Commercial 1 1/2" - Outside	20.65	5.84	4.59	3.70
W34	Commercial 2" - Outside	27.54			
W35	Commercial 3" - Outside	54.95			
W38	Commercial 4" - Outside	82.36			
W36	Commercial 6" - Outside	109.90			
W37	Commercial 8" - Outside	137.69			
W42	Humboldt	82.36			
W44	Clearwater (Treated water)	198.89			

APPENDIX C – CURRENT AND PROPOSED WATER RATES

Table C.7 – Proposed Mattoon Water Rates (May 2015 through April 2016)

Service Code	Service Group	Monthly Base Charge (\$)	0 cuft to 2,000 cuft (\$/100 cuft)	2,000 cuft to 300,000 cuft (\$/100 cuft)	Greater than 300,000 cuft (\$/100 cuft)
GAL	Gallon Meters	7.09	3.89	3.10	2.46
W01	Residential 5/8" - Inside	2.10			
W02	Residential 3/4" - Inside	7.09			
W03	Residential 1" - Inside	10.64			
W04	Residential 1 1/2" - Inside	21.27			
W05	Residential 2" - Inside	28.36			
W20	Commercial 5/8" - Inside	7.09			
W21	Commercial 3/4" - Inside	10.64			
W22	Commercial 1" - Inside	14.18			
W23	Commercial 1 1/2" - Inside	21.27			
W24	Commercial 2" - Inside	28.36			
W25	Commercial 3" - Inside	56.60			
W26	Commercial 4" - Inside	84.83			
W27	Commercial 6" - Inside	113.19			
W28	Commercial 8" - Inside	141.82			
W11	Residential 5/8" - Outside	2.10	6.01	4.73	3.81
W12	Residential 3/4" - Outside	7.09			
W13	Residential 1" - Outside	10.64			
W14	Residential 1 1/2" - Outside	21.27			
W15	Residential 2" - Outside	28.36			
W30	Commercial 5/8" - Outside	10.64			
W31	Commercial 3/4" - Outside	10.64			
W32	Commercial 1" - Outside	14.18			
W33	Commercial 1 1/2" - Outside	21.27			
W34	Commercial 2" - Outside	28.36			
W35	Commercial 3" - Outside	56.60			
W38	Commercial 4" - Outside	84.83			
W36	Commercial 6" - Outside	113.19			
W37	Commercial 8" - Outside	141.82			
W42	Humboldt	84.83			
W44	Clearwater (Treated water)	204.85			

APPENDIX D – WATER FUND CATEGORIZED OPERATING EXPENSES – FY 04 THROUGH FY15

Category	FY04	FY05	FY06	FY07	FY08	FY09 B
Salaries and Benefits	1,185,984	1,094,207	1,036,872	1,099,821	1,072,286	1,078,264
Supplies	371,557	394,382	412,933	515,727	579,960	622,800
Property Maintenance Services	58,779	88,438	65,848	105,412	103,200	141,480
Other Purchased Services	190,145	158,423	147,033	151,357	175,145	141,321
Other Objects	113,205	11,955	107,944	8,207	109,858	104,000
TOTAL OPERATING EXPENSES	1,919,670	1,747,406	1,770,631	1,880,524	2,040,449	2,087,865
Category	FY10 P	FY11 P	FY12 P	FY13 P	FY14 P	FY15 P
Salaries and Benefits	1,029,324	1,065,350	1,102,638	1,141,230	1,181,173	1,222,514
Supplies	657,267	673,699	690,541	707,805	725,500	743,637
Property Maintenance Services	106,585	109,249	111,981	114,780	117,650	120,591
Other Purchased Services	157,557	161,496	165,533	169,672	173,913	178,261
Other Objects	84,565	86,679	88,846	91,067	93,344	95,677
TOTAL OPERATING EXPENSES	2,035,297	2,096,473	2,159,538	2,224,553	2,291,579	2,360,681

APPENDIX E – RAW WATER DRAWS AND CONTRACTS
Table E.1 – Raw Water Draws on Mattoon’s Lakes System
 (gallons per day)

	2006	2009
City of Mattoon <i>(finished)</i>	2,140,000	1,960,000
Clearwater	159,000	213,000
City of Neoga	142,000	127,000
Reliant Energy	18,000	3,000
TOTAL	2,459,000	2,303,000

Table E.2 – Contracts for Raw Water Sales

Organization	Clear Water	Neoga	Reliant
Type of Water	Raw Water	Raw Water	Raw Water
City Number	Res. 75-1162		Res. 99-2251
Date Contract Signed	July 1, 1975 Ammended June 21, 1977 Ammended August 15, 1980	February 1, 1996	December 16, 1999
Contract Began	July 1, 1975	February 1, 1996	April 1, 2000
Contract Ends	December 31, 2019	February 1, 2015	March 31, 2019
Monthly Base Rate (Contract)	None	None	\$5,000.00
Usage Rate Set (Contract)	\$0.10/1,000 gallons	\$0.2784/1,000 gallons	\$0.60/1,000 gallons
Rate Set to Increase	Yes	Yes	Yes
Frequency of Increase	July of odd years	Feb. of even years	May 1, annually
Method of Increase	Chicago CPI	Chicago CPI	Chicago CPI
Chicago CPI Base Value	(June 1977) 58.6	(Feb. 1996) 155.2	(April 2000) 171.9
Chicago CPI Current	(July 2007) 205.6	(Feb. 2006) 197.2	(April 2007) 204.0
Monthly Base Rate (billing system)	\$0.00	\$60.00	\$5,872.74
Current Rate (billing system)	\$0.0003509	\$0.0003537	\$0.0007120
Monthly Base Rate	\$0.00	\$60.00	\$5,933.68
Current Rate	\$0.0003509	\$0.0003537	\$0.0007120
Meter Reading In	Gallons	Gallons	Gallons
Taxed	No	No	No
Special Notes	Minimum annual payment of \$730.00		The water rate increases ten fold if usage exceeds set levels