



APRIL 14, 2023



TINLEY PARK RATE STUDY REFERENCE PACKET

**VILLAGE OF TINLEY PARK
PROJECT NO. 160373.00027**

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SECTION 1. – REFERENCE PACKET

1.1 INTRODUCTION

The Village of Tinley Park has regularly adjusted water rates, as provided for in the Village Code, to offset the increased cost of water purchased from the Oak Lawn Region Water System. Notwithstanding the increases to cover purchased water expenses, the Village has not adjusted the water and sewer rates to increase revenue to cover the Village's increased costs of providing services since 2014. The Consumer Price Index (CPI) has increased by approximately 25% since 2014.

The Village has deferred needed maintenance and capital improvement projects, transferred funds into the water and sewer funds from the General Fund, and drawn from the water and sewer funds' emergency cash reserves to keep the water and sewer funds solvent. Cash reserves are necessary to provide for emergency maintenance and to maintain operations during a disruption of revenue.

This rate study assesses cost of providing water and sewer service and presents recommendations for fair and equitable water and sewer rates based on the cost-of-service assessment. The recommendations for rates are presented that will fund the projected operating and capital expenditures over the next five years and maintain acceptable cash balances in the funds' reserves.



1.2 WATER RETAIL FUND

Table 1-1

Water Retail - Cost of Service Projections

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Purchase Cost *	\$8,229,937	\$8,615,390	\$9,019,595	\$9,443,479	\$9,888,015
Tinley Park O & M	\$3,954,698	\$4,152,433	\$4,360,054	\$4,578,057	\$4,806,960
Debt Service – Existing ** (Oak Lawn Regional Water System)	\$1,775,068	\$2,510,402	\$3,141,794	\$3,953,351	\$3,845,003
Debt Service – Existing (Tinley Park Exist. Debt Service)	\$478,940	\$480,552	\$481,358	\$481,358	\$480,552
Debt Service – Existing (Tinley Park Meter Repayment)	\$657,506	\$659,730	\$661,596	\$663,046	\$664,121
Debt Service - Future (Financing / Loan Proceeds)	(\$3,400,000)	(\$2,600,000)	(\$1,400,000)	\$0	\$0
Debt Service - Future (New Tinley Park Debt Service)	\$261,379	\$461,257	\$568,883	\$568,883	\$568,883
Capital Improvements – “Normalized” Value for System Investment/Reinvestment provided by Village	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Total Cost of Service ***	\$16,957,526	\$19,279,763	\$21,833,281	\$24,688,174	\$25,253,534
* Water Purchase Cost Projections include 10% non-revenue water cost.					
** The Oak Lawn Regional Water System Debt Service Cost is Tinley Park’s share of the cost with IAW’s share removed.					
*** Total Cost of Service includes proceeds assumed from new loans / financing and new debt service.					

Table 1-2

Water Retail – Proposed Bi-monthly Base Fees

	Current*	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Primary Meter Base Fees (Bi-monthly)						
5/8" & 3/4" Primary Meters	\$20.63	\$25.58	\$25.58	\$25.58	\$25.58	\$25.58
1" & 1-1/2" Primary Meters	\$29.28	\$36.31	\$36.31	\$36.31	\$36.31	\$36.31
2" Primary Meters	\$41.21	\$51.10	\$51.10	\$51.10	\$51.10	\$51.10
3" Primary Meters	\$129.05	\$160.02	\$160.02	\$160.02	\$160.02	\$160.02
4" Primary Meters	\$161.57	\$200.35	\$200.35	\$200.35	\$200.35	\$200.35
6" Primary Meters	\$237.42	\$294.40	\$294.40	\$294.40	\$294.40	\$294.40
Irrigation Meter Base Fees (Bi-monthly)						
5/8" & 3/4" Irr. Meters	\$13.22	\$16.39	\$16.39	\$16.39	\$16.39	\$16.39
1" & 1-1/2" Irr. Meters	\$15.97	\$19.80	\$19.80	\$19.80	\$19.80	\$19.80
2" Irr. Meters	\$19.74	\$24.48	\$24.48	\$24.48	\$24.48	\$24.48
* Current Base fees adjusted to show equivalent bi-monthly base fee amount.						



Table 1-3
Water Retail – Proposed Four-Tier Volume Charges

	Current*	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Primary Metered Volume and Irrigation Metered Volume						
Tier 1 Volume Rate (per 1,000 gallons, ≤ 7,000 gallons bi-monthly)	Current Tier 1 0 – 13,300 gallons/bi-monthly	\$7.33	\$8.54	\$9.89	\$11.39	\$11.69
Tier 2 Volume Rate (per 1,000 gallons, 7,000 to 12,000 gallons bi-monthly)	\$7.48 ** per 1,000 gallons	\$9.53	\$11.10	\$12.85	\$14.80	\$15.19
Tier 3 Volume Rate (per 1,000 gallons, 12,000 to 22,000 gallons bi-monthly)	Current Tier 2 Over 13,300 gallons/bi-monthly	\$12.46	\$14.51	\$16.80	\$19.35	\$19.86
Tier 4 Volume Rate (per 1,000 gallons, Over 22,000 gallons bi-monthly)	\$9.68 ** per 1,000 gallons	\$14.66	\$17.07	\$19.77	\$22.77	\$23.37
* Current Tier volumes adjusted to show the equivalent volume for bi-monthly billings.						
** Current rates assume a 5.0% City of Chicago rate increase in June 2023 resulting in a \$0.22 increase in Village volume charge rates.						

Table 1-4
Water Retail – Projected Revenue over Expenses

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Projected Revenue	\$17,523,179	\$19,819,082	\$22,391,256	\$25,249,227	\$25,820,821
Total Projected Cost-of-Service (Expenses)	\$16,957,526	\$19,279,763	\$21,833,281	\$24,688,174	\$25,253,534
Projected Revenue over Expenses	\$565,653	\$539,319	\$557,976	\$561,053	\$567,288



1.3 SEWER FUND

**Table 1-5
Sewer Fund – Cost-of-Service Projections**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Tinley Park O & M	\$2,415,268	\$2,536,031	\$2,662,833	\$2,795,974	\$2,935,773
Debt Service	\$330,785	\$332,129	\$335,710	\$337,524	\$338,910
Capital Improvements	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Total Cost of Sewer Service	\$4,746,053	\$4,868,160	\$4,998,543	\$5,133,498	\$5,274,683

**Table 1-6
Sewer Fund – Proposed Bi-monthly Base Fees**

	Current*	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Primary Meter Base Fees (Bi-monthly)						
All Primary Meters	\$4.79	\$4.79	\$5.94	\$5.94	\$5.94	\$5.94
* Current Base fee adjusted to show equivalent bi-monthly base fee amount.						

**Table 1-7
Sewer Fund – Proposed Volume Charges**

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Sewer Volume Charge (Applies only to primary meter volume, not to irrigation meter volume)						
Sewer Volume Rate (per 1,000 gallons)	\$1.14	\$2.28	\$3.30	\$3.48	\$3.67	\$3.87

**Table 1-8
Sewer Fund – Projected Revenue over Expenses**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Revenue	\$3,576,371	\$5,057,085	\$5,294,016	\$5,544,109	\$5,807,365
Total Cost of Service (Expenses)	\$4,746,053	\$4,868,160	\$4,998,543	\$5,133,498	\$5,274,683
Revenue over Expenses *	(\$1,169,682)	\$188,925	\$295,473	\$410,611	\$532,682
* FY 2024 shortfall assumed to be offset by transfer from General Fund, with repayment including interest, of revenue exceeding expenses over the next four years thereafter.					



1.4 WATER WHOLESALF FUND

Table 1-9

**Water Wholesale - Cost of Service Projections
(Common to Both Wholesale Customers)**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Purchase Cost	\$8,079,417	\$8,458,710	\$8,855,460	\$9,271,254	\$9,706,092
Tinley Park O & M	\$966,370	\$1,014,688	\$1,065,422	\$1,118,694	\$1,174,628
Non-revenue water cost *	\$164,887	\$172,628	\$180,725	\$189,211	\$198,085
Cost of Water Wholesale Service (Common to Both Customers)	\$9,210,674	\$9,646,026	\$10,101,607	\$10,579,159	\$11,078,805
* Non-revenue water cost at 2%.					

Table 1-10

**Water Wholesale - Cost of Service Projections
(Expenses Applicable to Individual Wholesale Customers and not included in
Common Water Wholesale Expenses)**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
IAW Share Oak Lawn RSW Debt Service Cost	\$191,536	\$270,882	\$339,012	\$426,582	\$414,890
New Lenox / Mokena Share Existing Tinley Park Debt Service	\$66,490	\$66,713	\$66,825	\$66,825	\$66,713



Table 1-11
Wholesale Fund – Proposed Volume Charges

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Wholesale Volume Rate (Common Rate)						
Chicago Rate * (per 1,000 gallons)	\$4.554	\$4.554	\$4.782	\$5.021	\$5.272	\$5.535
Oak Lawn (June) Rate ** (per 1,000 gallons)	\$0.537	\$0.537	\$0.548	\$0.559	\$0.570	\$0.581
Tinley Park O&M Rate Including 2% Non-Revenue (per 1,000 gallons) ***	\$0.817 / \$0.287	\$0.871	\$0.909	\$0.949	\$0.991	\$1.035
Volume Rate (Common Rate)						
IAW / New Lenox / Mokena (per 1,000 gallons)	\$5.908 / \$5.378	\$5.962	\$6.239	\$6.529	\$6.833	\$7.151
IAW Orland Hills Rate (Adder Rate and Billing Rate)						
IAW Adder Rate (For Oak Lawn RWS Debt Service) (per 1,000 gallons)	\$0.000	\$1.220	\$1.725	\$2.159	\$2.717	\$2.643
IAW Billing Rate **** (per 1,000 gallons)	\$5.908	\$7.182	\$7.964	\$8.688	\$9.550	\$9.794
New Lenox / Mokena Rate (Adder Rate and Billing Rate)						
NL / M Adder Rate (For Tinley Park Debt Service) (per 1,000 gallons)	\$0.000	\$0.046	\$0.047	\$0.047	\$0.047	\$0.047
NL / M Billing Rate (per 1,000 gallons)	\$5.378	\$6.008	\$6.286	\$6.576	\$6.880	\$7.198
* Current rate assumes a 5.0% City of Chicago rate increase in June 2023.						
** Current Rate for Oak Lawn shown is the January 2023 rate.						
*** Current TP O&M Rate varies with wholesale customer and does not include non-revenue water cost. TP NL/M current O&M effective September 2022.						
**** IAW Rate shown including Oak Lawn January 2023 increase.						

Table 1-12
Wholesale Water – Projected Revenue over Expenses

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Projected Revenue	\$9,624,994	\$10,140,275	\$10,663,532	\$11,228,072	\$11,716,350
Total Projected Cost-of-Service (Expenses)	\$9,468,700	\$9,983,621	\$10,507,444	\$11,072,566	\$11,560,408
Projected Revenue over Expenses	\$156,294	\$156,654	\$156,088	\$155,506	\$155,942



1.5 STORMWATER MANAGEMENT FUND

Table 1-13
Stormwater Management – Cost-of-Service Projections

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Tinley Park O & M	\$308,700	\$324,135	\$340,342	\$357,359	\$375,227
Debt Service	\$16,678	\$16,762	\$17,169	\$17,396	\$17,610
Capital Improvements	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Total Cost of Service - Stormwater Management	\$1,325,378	\$1,340,897	\$1,357,511	\$1,374,755	\$1,392,837

Table 1-14
Stormwater Management – Proposed Bi-monthly Base Fees

	Current*	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Meter Base Fees – All Meters (Bi-monthly)						
All Meters	\$1.24	\$1.54	\$1.54	\$1.54	\$1.54	\$1.54

* Current Base fee adjusted to show equivalent bi-monthly base fee amount.

Table 1-15
Stormwater Management – Proposed Volume Charge

	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Metered Water Volume Rate (All primary and irrigation metered water volume)						
Stormwater Volume Rate (per 1,000 gallons)	\$0.31	\$0.39	\$0.49	\$0.61	\$0.76	\$0.95

Table 1-16
Stormwater Management – Projected Revenue over Expenses

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Revenue	\$785,634	\$931,134	\$1,105,734	\$1,323,984	\$1,600,434
Total Cost of Service (Expenses)	\$1,325,378	\$1,340,897	\$1,357,511	\$1,374,755	\$1,392,837
Revenue over Expenses	(\$539,744)	(\$409,763)	(\$251,777)	(\$50,771)	\$207,597



1.6 WATER AND SEWER BILL SUMMARIES

Table 1-17
Village of Tinley Park Services
Water and Sewer Bi-monthly Bill Summaries
(Cook County)
Current and FY 2024

	BI-MONTHLY WATER USAGE	CURRENT BI-MONTHLY CHARGES *	FY 2024 BI-MONTHLY CHARGES	BILLING DIFFERENCE \$	\$ PER MONTH INCREASE
Water (Water Retail) **	4,000	\$50.55	\$54.90	\$4.35	\$2.18
Sewer (Sanitary Sewer)	4,000	\$9.35	\$13.91	\$4.56	\$2.28
Stormwater	4,000	\$2.48	\$3.10	\$0.62	\$0.31
Total Village of Tinley Park Services		\$62.38	\$71.91	\$9.53	\$4.77
Water (Water Retail)	8,000	\$80.47	\$86.42	\$5.95	\$2.98
Sewer (Sanitary Sewer)	8,000	\$13.91	\$23.03	\$9.12	\$4.56
Stormwater	8,000	\$3.72	\$4.66	\$0.94	\$0.47
Total Village of Tinley Park Services		\$98.10	\$114.11	\$16.01	\$8.01
Water (Water Retail)	12,000	\$110.39	\$124.54	\$14.15	\$7.08
Sewer (Sanitary Sewer)	12,000	\$18.47	\$32.15	\$13.68	\$6.84
Stormwater	12,000	\$4.96	\$6.22	\$1.26	\$0.63
Total Village of Tinley Park Services		\$133.82	\$162.91	\$29.09	\$14.55
Water (Water Retail)	16,000	\$146.25	\$174.38	\$28.13	\$14.07
Sewer (Sanitary Sewer)	16,000	\$23.03	\$41.27	\$18.24	\$9.12
Stormwater	16,000	\$6.20	\$7.78	\$1.58	\$0.79
Total Village of Tinley Park Services		\$175.48	\$223.43	\$47.95	\$23.98
Water (Water Retail)	20,000	\$184.97	\$224.22	\$39.25	\$19.63
Sewer (Sanitary Sewer)	20,000	\$27.59	\$50.39	\$22.80	\$11.40
Stormwater	20,000	\$7.44	\$9.34	\$1.90	\$0.95
Total Village of Tinley Park Services		\$220.00	\$283.95	\$63.95	\$31.98
* Current Base Fee Charges adjusted for bi-monthly.					
** Current rates assume a 5.0% City of Chicago rate increase in June 2023 resulting in a \$0.22 increase in Village volume charge rates.					



Table 1-18
Village of Tinley Park Services
Water and Sewer Bi-monthly Bill Summaries
(Will County Pro Forma Frankfort Treatment)
Current and FY 2024

	BI-MONTHLY WATER USAGE	CURRENT BI-MONTHLY CHARGES ¹	FY 2024 BI-MONTHLY CHARGES	BILLING DIFFERENCE \$	\$ PER MONTH INCREASE
Water (Water Retail)	4,000	\$50.55	\$54.90	\$4.35	\$2.18
Sewer (Sanitary Sewer)	4,000	\$9.35	\$13.91	\$4.56	\$2.28
Stormwater	4,000	\$2.48	\$3.10	\$0.62	\$0.31
Frankfort Treatment ³	4,000	\$38.64	\$38.64	\$0.00	\$0.00
Total Tinley Park Services + Frankfort Treat		\$101.02	\$110.55	\$9.53	\$4.77
Water (Water Retail)	8,000	\$80.47	\$86.42	\$5.95	\$2.98
Sewer (Sanitary Sewer)	8,000	\$13.91	\$23.03	\$9.12	\$4.56
Stormwater	8,000	\$3.72	\$4.66	\$0.94	\$0.47
Frankfort Treatment ³	8,000	\$77.28	\$77.28	\$0.00	\$0.00
Total Tinley Park Services + Frankfort Treat		\$175.38	\$191.39	\$16.01	\$8.01
Water (Water Retail)	12,000	\$110.39	\$124.54	\$14.15	\$7.08
Sewer (Sanitary Sewer)	12,000	\$18.47	\$32.15	\$13.68	\$6.84
Stormwater	12,000	\$4.96	\$6.22	\$1.26	\$0.63
Frankfort Treatment ³	12,000	\$115.92	\$115.92	\$0.00	\$0.00
Total Tinley Park Services + Frankfort Treat		\$249.74	\$278.83	\$29.09	\$14.55
Water (Water Retail)	16,000	\$146.25	\$174.38	\$28.13	\$14.07
Sewer (Sanitary Sewer)	16,000	\$23.03	\$41.27	\$18.24	\$9.12
Stormwater	16,000	\$6.20	\$7.78	\$1.58	\$0.79
Frankfort Treatment ³	16,000	\$154.56	\$154.56	\$0.00	\$0.00
Total Tinley Park Services + Frankfort Treat		\$330.04	\$377.99	\$47.95	\$23.98
Water (Water Retail)	20,000	\$184.97	\$224.22	\$39.25	\$19.63
Sewer (Sanitary Sewer)	20,000	\$27.59	\$50.39	\$22.80	\$11.40
Stormwater	20,000	\$7.44	\$9.34	\$1.90	\$0.95
Frankfort Treatment ³	20,000	\$193.20	\$193.20	\$0.00	\$0.00
Total Tinley Park Services + Frankfort Treat		\$413.20	\$477.15	\$63.95	\$31.98
¹ Current Base Fee Charges adjusted for bi-monthly.					
² Current rates assume a 5.0% City of Chicago rate increase in June 2023 / \$0.22 increase Village volume charge rates.					
³ Frankfort Treatment is not a Tinley Park Service, costs are shown pro forma with no change Current to FY-2024.					



Table 1-19
Village of Tinley Park Services
Water and Sewer Bi-monthly Bill Summaries
(Will County Pro Forma Illinois American Water Treatment)
Current and FY 2024

	BI-MONTHLY WATER USAGE	CURRENT BI-MONTHLY CHARGES ¹	FY 2024 BI-MONTHLY CHARGES	BILLING DIFFERENCE \$	\$ PER MONTH INCREASE
Water (Water Retail)	4,000	\$50.55	\$54.90	\$4.35	\$2.18
Sewer (Sanitary Sewer)	4,000	\$9.35	\$13.91	\$4.56	\$2.28
Stormwater	4,000	\$2.48	\$3.10	\$0.62	\$0.31
IAW Treatment ³	4,000	\$136.00	\$136.00	\$0.00	\$0.00
Total Tinley Park Services + IAW Treat.		\$198.38	\$207.91	\$9.53	\$4.77
Water (Water Retail)	8,000	\$80.47	\$86.42	\$5.95	\$2.98
Sewer (Sanitary Sewer)	8,000	\$13.91	\$23.03	\$9.12	\$4.56
Stormwater	8,000	\$3.72	\$4.66	\$0.94	\$0.47
IAW Treatment ³	8,000	\$159.60	\$159.60	\$0.00	\$0.00
Total Tinley Park Services + IAW Treat.		\$257.70	\$273.71	\$16.01	\$8.01
Water (Water Retail)	12,000	\$110.39	\$124.54	\$14.15	\$7.08
Sewer (Sanitary Sewer)	12,000	\$18.47	\$32.15	\$13.68	\$6.84
Stormwater	12,000	\$4.96	\$6.22	\$1.26	\$0.63
IAW Treatment ³	12,000	\$183.20	\$183.20	\$0.00	\$0.00
Total Tinley Park Services + IAW Treat.		\$317.02	\$346.11	\$29.09	\$14.55
Water (Water Retail)	16,000	\$146.25	\$174.38	\$28.13	\$14.07
Sewer (Sanitary Sewer)	16,000	\$23.03	\$41.27	\$18.24	\$9.12
Stormwater	16,000	\$6.20	\$7.78	\$1.58	\$0.79
IAW Treatment ³	16,000	\$206.80	\$206.80	\$0.00	\$0.00
Total Tinley Park Services + IAW Treat.		\$382.28	\$430.23	\$47.95	\$23.98
Water (Water Retail)	20,000	\$184.97	\$224.22	\$39.25	\$19.63
Sewer (Sanitary Sewer)	20,000	\$27.59	\$50.39	\$22.80	\$11.40
Stormwater	20,000	\$7.44	\$9.34	\$1.90	\$0.95
IAW Treatment ³	20,000	\$230.40	\$230.40	\$0.00	\$0.00
Total Tinley Park Services + IAW Treat.		\$450.40	\$514.35	\$63.95	\$31.98
¹ Current Base Fee Charges adjusted for bi-monthly equivalent.					
² Current rates assume a 5.0% City of Chicago rate increase in June 2023 / \$0.22 increase Village volume charge rates.					
³ IAW Treatment is not a Tinley Park Service, costs are shown pro forma with no change Current to FY-2024.					



1.7 BILLING COMPARISONS

Table 1-20

**Comparison Bi-Monthly Billing Amounts
(Includes Stormwater Fixed Fees and/or Water Usage-Based
Stormwater Fees for Tinley Park and Three Other Communities)
Residential 5/8" Meter, 11,000 Gallons Bi-Monthly, No Irrigation Meter**

Community	Bi-Monthly Water Charge (Volume + Fixed Fees)	Bi-Monthly Sewer Charge (Volume + Fixed Fees)	Bi-Monthly Storm Charge (Volume + Fixed Fees)	Sum Bi-Monthly Charge(s)
Elmhurst – December 2022	\$166.42	\$128.58		\$295.00
New Lenox	\$135.21	\$147.19		\$282.40
Olympia Fields	\$129.80	\$133.16		\$262.96
Lombard (2023) Municipal Code	\$126.10	\$77.00		\$203.10
Palos Park	\$156.33	\$35.00		\$191.33
Naperville (1/1/2023)	\$109.44	\$69.32		\$178.76
Palos Hills	\$151.02	\$23.00		\$174.02
Matteson	\$128.53	\$29.74	\$14.00	\$172.26
Downers Grove	\$111.57	\$60.55		\$172.12
Westchester Muni Code 5/22 - 4/23	\$144.00	\$28.06		\$172.06
Richton Park (Rate effective 4/30/23)	\$114.40	\$38.17	\$14.56	\$167.13
Oak Forest	\$133.63	\$23.32		\$156.95
Tinley Park (Recommended FY 2024)	\$115.01	\$29.87	\$5.83	\$150.71
Mokena	\$101.20	\$46.75		\$147.95
Orland Park (Recommended FY 2023)	\$111.46	\$14.74	\$6.22	\$132.42
Tinley Park (Current - June 2023)	\$102.91	\$17.33	\$4.65	\$124.89
Oak Lawn (Starting 1/1/23)	\$95.10	\$27.16		\$122.26
Chicago Ridge	\$103.40	\$12.65		\$116.05
City of Chicago (6/1/23)	\$50.01	\$50.01		\$100.02



Figure 1-1
Comparison Bi-Monthly Bills
 Residential 5/8" Meter, 11,000 Gallons Bi-Monthly, No Irrigation Meter

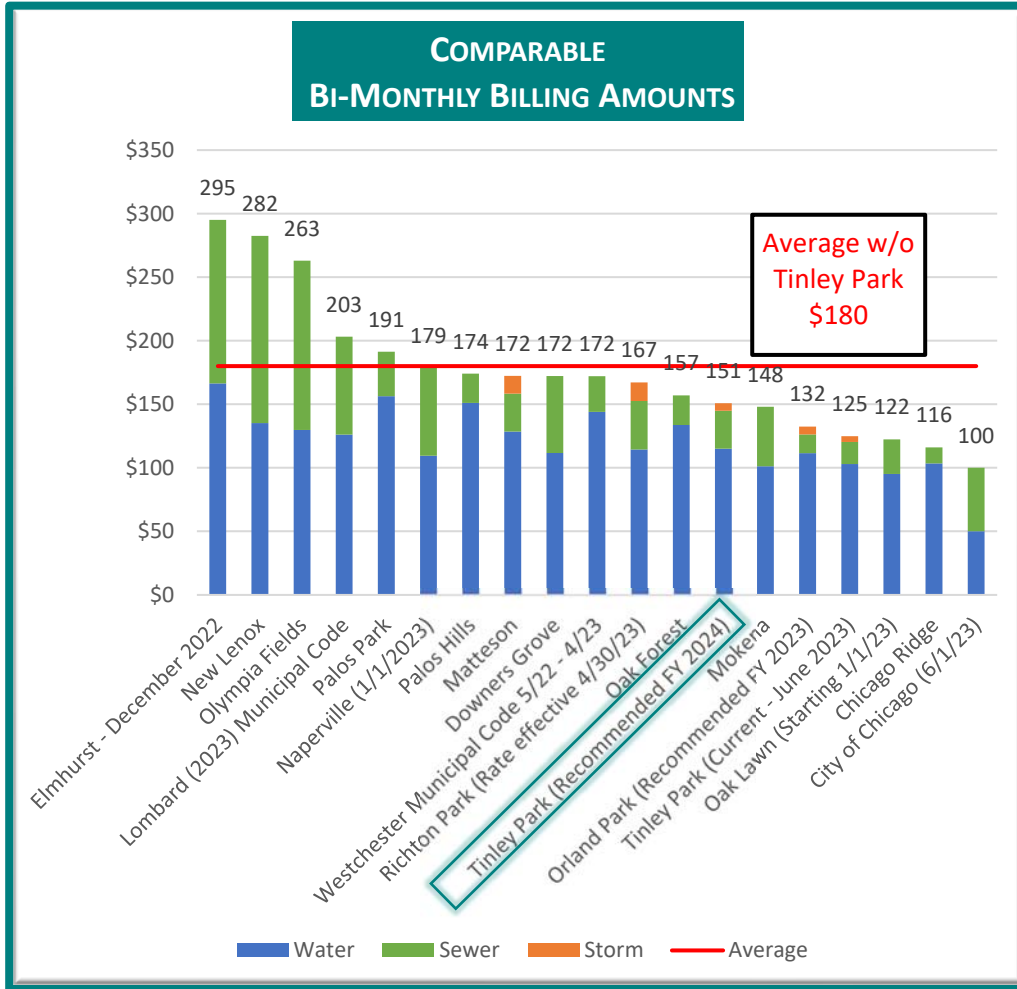


Table 1-21
Comparison Billings
Water and Sewer (Only) Bi-Monthly Billing Amounts
(Stormwater Bill Not Included)
Residential 5/8" Meter, 11,000 Gallons Bi-Monthly, No Irrigation Meter

Community	Bi-Monthly Water Charge (Volume + Fixed Fees)	Bi-Monthly Sewer Charge (Volume + Fixed Fees)	Sum Bi-Monthly Charge(s)
Elmhurst - December 2022	\$166.42	\$128.58	\$295.00
New Lenox	\$135.21	\$147.19	\$282.40
Olympia Fields	\$129.80	\$133.16	\$262.96
Lombard (2023) Municipal Code	\$126.10	\$77.00	\$203.10
Palos Park	\$156.33	\$35.00	\$191.33
Naperville (1/1/2023)	\$109.44	\$69.32	\$178.76
Palos Hills	\$151.02	\$23.00	\$174.02
Downers Grove	\$111.57	\$60.55	\$172.12
Westchester Municipal Code 5/22 - 4/23	\$144.00	\$28.06	\$172.06
Matteson	\$128.53	\$29.74	\$158.26
Oak Forest	\$133.63	\$23.32	\$156.95
Richton Park (Rate effective 4/30/23)	\$114.40	\$38.17	\$152.57
Mokena	\$101.20	\$46.75	\$147.95
Tinley Park (Recommended FY 2024)	\$115.01	\$29.87	\$144.88
Orland Park (Recommended FY 2023)	\$111.46	\$14.74	\$126.20
Oak Lawn (Starting 1/1/23)	\$95.10	\$27.16	\$122.26
Tinley Park (Current - June 2023)	\$102.91	\$17.33	\$120.24
Chicago Ridge	\$103.40	\$12.65	\$116.05
City of Chicago (6/1/23)	\$50.01	\$50.01	\$100.02



Figure 1-2
Comparison Billings
Water Bi-Monthly Bill Amounts
 Residential 5/8" Meter, 11,000 Gallons Bi-Monthly, No Irrigation Meter

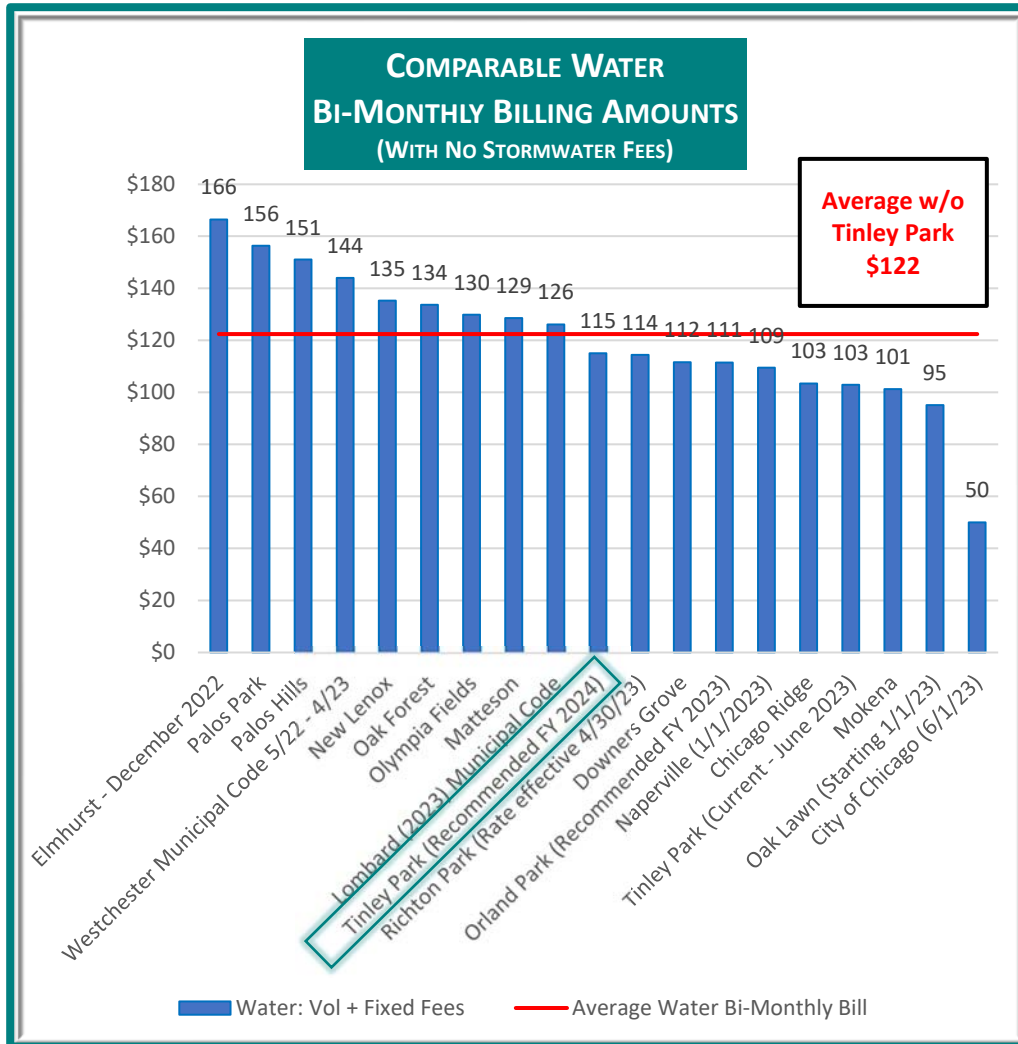


Figure 1-3
Comparison Billings
Sewer Bi-Monthly Bill Amounts
 Residential 5/8" Meter, 11,000 Gallons Bi-Monthly, No Irrigation Meter

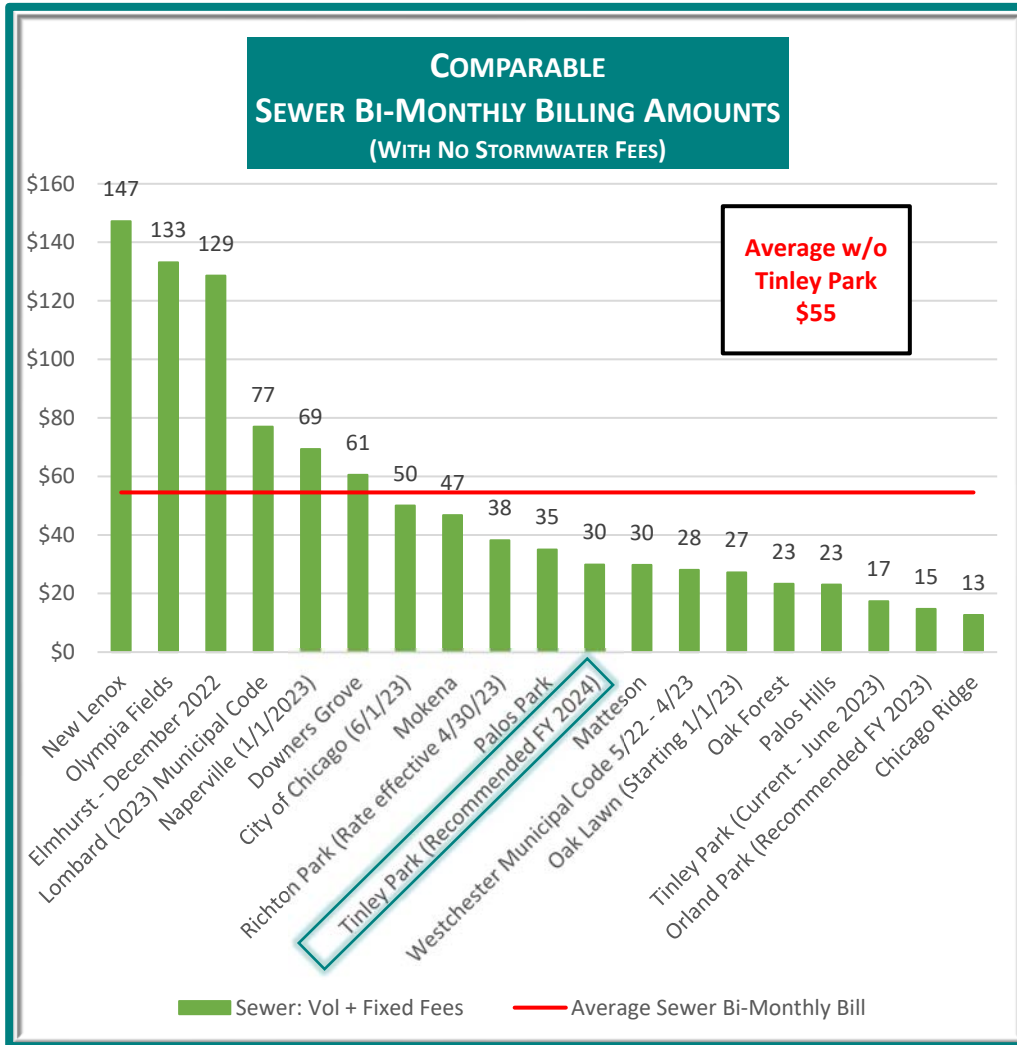
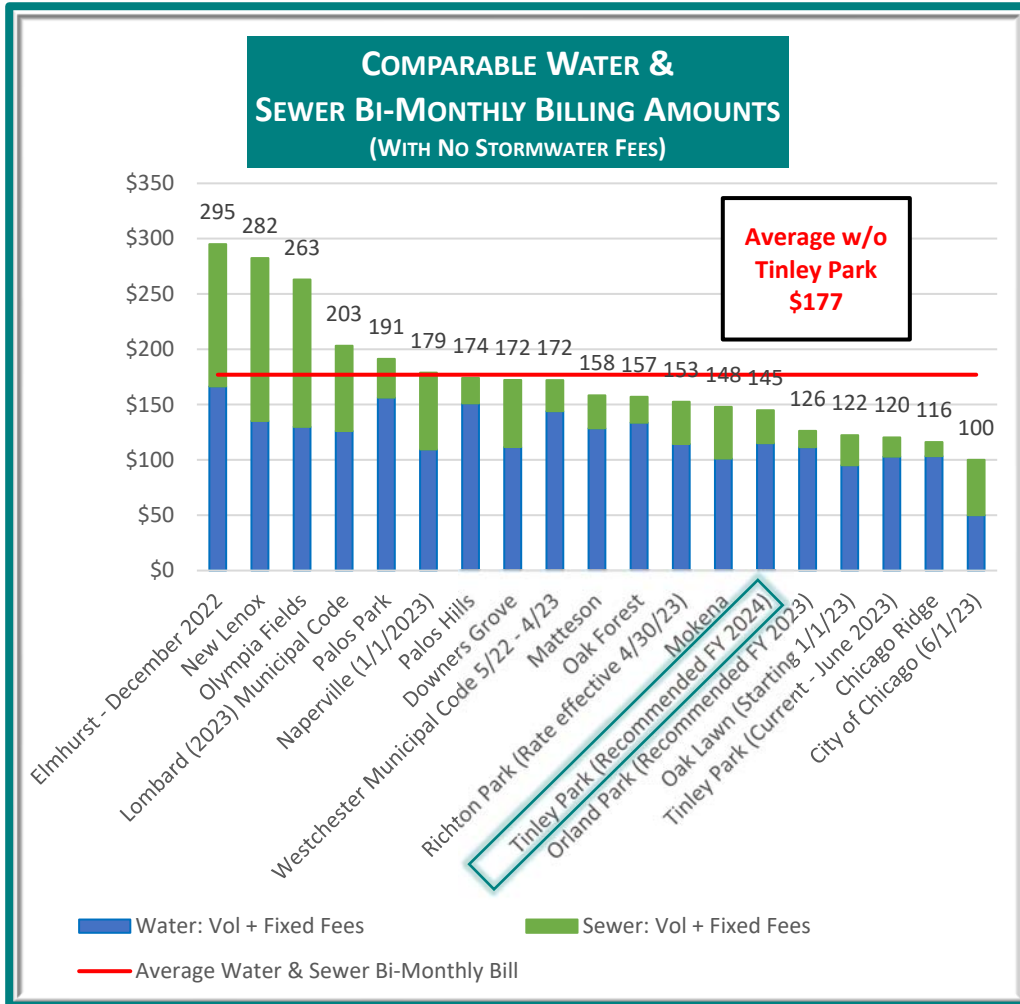


Figure 1-4
Comparison Billings
Water and Sewer Bi-Monthly Bill Amounts
(Stormwater Bill Not Included)
 Residential 5/8" Meter, 11,000 Gallons Bi-Monthly, No Irrigation Meter



1.8 RATE STUDY RECOMMENDATIONS

Recommendations are the joint recommendations from Village Staff and Consultants and CBBEL.

1. Adjust rates for Water Retail, Sewer, and Stormwater over the next five years as indicated on the Tables above.
2. Utilize a base fee plus volume charge rate structure like the existing rate structure for the Water Retail, Sewer and Stormwater Management funds.
3. Revise the current billing cycle from quarterly to bi-monthly for the Water Retail, Sewer, and Stormwater Management funds.
4. Make the rate adjustments, as shown on the Tables above, needed to bring revenue in line with expenses in FY 2024 and FY 2025 to distribute the billing increases more evenly over two years.
5. Use financing for \$3.4 million in FY 2024, \$2.6 million in FY 2025, and \$1.4 million in FY 2026 to partially fund the Water Retail \$5.0 million of normalized capital improvements for each of those years.
6. Transfer \$1.2 million from the General Fund to the Sewer Fund in FY 2024 to cover the projected shortfall of revenue over expenses. Repay the General Fund from the Sewer Fund with the positive revenue over expenses projected for the Sewer Fund over the following four fiscal years. Repayments should include prevailing interest.
7. Transfer funds from the General Fund to the Stormwater Management fund to cover the projected shortfall of revenue over expenses shown on Table 1-16 for FY 2024 – FY 2027 until the Stormwater Management fund is projected to yield net positive revenue over expenses in FY 2028. Repayment of the transferred funds is not anticipated.
8. Divide the Oak Lawn Regional Debt Service charges into a Village of Tinley Park share and an Illinois American Water share based on water volume. Expense the Illinois American Water share in the Water Wholesale Fund Expenses. The Oak Lawn Regional Debt Service expenses are attributable to Illinois American Water only – see No. 10 below.
9. Add a non-revenue water expense, at two percent, to the Water Wholesale expenses based on the volume of metered water sold to the wholesale customers.
10. Revise the Water Wholesale rate structure to a common rate for both wholesale customers based on the common water wholesale expenses, plus individual adder rates determined from costs which are attributable to the individual customers. The individual rates are for the Illinois American Water share of the Oak Lawn Regional Water System debt service and for New Lenox / Mokena for Tinley Park existing Tinley Park debt service which funded improvements benefitting New Lenox / Mokena and not IAW.



11. Add a provision to the Municipal Code that allows for automatic rate adjustments for Oak Lawn RWS Debt Service cost increases which exceed the cost values used in the rate study.
12. Develop an implementation plan to convert from quarterly billings to bi-monthly billings as indicated in the report body Section 1.8.
13. Remove the “in excess of 6,000 gallons” language from the Municipal Code for the Stormwater Management volume billings so that the volume charge applies to all metered volume.
14. Review the Water and Sewer Funds cash reserves with Village Accountants and Financial Staff as indicated in the body of the report to assure the current cash reserves are consistent with the Village’s Reserves policy.

