

Submitted 04/05/2017 – via email

Review of Moline’s Water Presentation reveals that the Capacity Charge for fresh water and wastewater are quite high which would allow them to have low Commodity rates. Increasing either of these Capacity Charges would allow little or no Commodity rate increase for substantial total revenue increase from water and sewer services. Thus, the Village should obtain historical cost information for the Fresh Water and Wastewater Capacity Charge to determine increase frequency and assess possible increases there may be in the future. In addition, with the 2 major sewage facility renovations ongoing/planned in Moline, there could be increased customer cost due to the projects. The Village should ask Moline for projected additional sewage service cost to the customer.

Accordingly, request that the following be submitted to Moline to answering:

1. Provide the historical Capacity Charge (monthly base) cost for each of the water meter sizes listed on the Retail Water Rates Chart for each year from 1990 to present. Also, include the Commodity (water) rate in dollars/Kgal.
2. Provide similar historical data for the Wastewater Capacity Charge and Wastewater Commodity rate for the same period of time.

City of Moline Utility Rate History

Quarterly Base and Commodity Charges																				
Component	1990	1992	1993	1995	1997	1998	1999	2000	2001	2005	2006	2007	2008	2010	2012	2013	2014	2015	2016	2017
Water Base Rate	\$9.60*	\$9.60	\$9.60	\$14.38*	\$14.38	\$15.24*	\$18.60	\$19.10	\$19.25	\$20.00	\$20.00	\$20.00	\$20.00	\$25.00	see capacity schedule below					
Sewer Base Rate	\$11.22	\$11.42	\$11.45	\$11.45	\$12.12	\$12.53	\$13.06	\$13.06	\$12.96	\$13.41	\$14.51	\$14.46	\$17.90	\$20.02	\$22.58	\$22.58	\$24.27	\$25.97	\$27.79	\$29.46
Water Commodity Rate	see notes below						\$2.70	\$2.70	\$3.25	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$4.08	\$4.46	\$4.89	\$4.89	\$4.89	\$4.89
Sewer Commodity Rate	\$1.75	\$1.70	\$1.90	\$1.90	\$2.01	\$2.15	\$2.25	\$2.25	\$2.43	\$2.56	\$2.77	\$3.07	\$3.58	\$4.08	\$4.64	\$4.64	\$4.99	\$5.34	\$5.71	\$6.05

Quarterly Capacity Charges																				
Meter Size	1990	1992	1993	1995	1997	1998	1999	2001	2001	2005	2006	2007	2008	2010	2012	2013	2014	2105	2016	2017
5/8 - inch												\$3.00	\$3.00	\$5.00	\$24.52	\$26.84	\$29.39	\$29.39	\$29.39	\$29.39
3/4 - inch												\$4.50	\$4.50	\$7.50	\$36.77	\$40.27	\$44.09	\$44.09	\$44.09	\$44.09
1 - inch												\$7.50	\$7.50	\$12.50	\$61.29	\$67.11	\$73.49	\$73.49	\$73.49	\$73.49
1.5 - inch												\$15.00	\$15.00	\$25.00	\$122.58	\$134.22	\$146.97	\$146.97	\$146.97	\$146.97
2 - inch												\$30.00	\$30.00	\$50.00	\$196.12	\$214.75	\$235.16	\$235.16	\$235.16	\$235.16
3 - inch												\$67.50	\$67.50	\$112.50	\$367.73	\$402.66	\$440.92	\$440.92	\$440.92	\$440.92
4-inch												\$180.00	\$180.00	\$300.00	\$612.88	\$671.11	\$734.86	\$734.86	\$734.86	\$734.86
6-inch												\$300.00	\$300.00	\$500.00	\$1,225.76	\$1,342.21	\$1,469.72	\$1,469.72	\$1,469.72	\$1,469.72

Notes:

*Included first 5K Gallons. (This base rate may have increased proportionally with meter size)

1990 declining block commodity structure: 5K to 50K = \$1.849/1K; 50K to 1,500K = \$1.548/1K; Over 1,500K = \$1.32/1K

1995 declining block commodity structure: 5K to 50K = \$2.77/1K; 50K to 1,500K = \$2.32/1K; Over 1,500K = \$1.97/1K

1998 declining block commodity structure: 5K to 50K = \$3.05/1K; 50K to 1,500K = \$2.51/1K(?); Over 1,500K = \$2.09/1K

3. With the renovations of Moline’s North and South Slope sewage facilities, will there be increased customer sewage cost? If so, identify projected/estimated impact on the Capacity Charge and the Commodity rate with implementation time-frame(s).

In response to the final question, Moline anticipates a sewer capacity and commodity increase in 2018. These values are \$31.23/quarter & \$6.42/kgal, respectively. No other rate increases are proposed or approved at this time. Please let me know if there are any other questions regarding this information.

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QUESTIONS RESULTING FROM MOLINE-WATER PROJECT:

*** WILL THERE BE A DECISION TREE CONSTRUCTED ENCOMPASSING ALL SCENARIOS EVERY ENGR EFFORT DEVELOPS A TREE FOR A PATH TO FOLLOW IF THIS HAPPENS - DO WE DO THIS OR THAT - THIS GOES ALL THE WAY THRU THE PROCESS**

Again, this presentation was for informational purposes. If the Village and Moline pursue, there will be detailed plans and agreements in place.

*** WILL THERE BE A PRO/CON MATRIX CONSTRUCTED OF ALL SCENARIOS TO EVALUATE ALL PROPOSALS ON THE TABLE - A PRO/CON CHART SHUD BE CONSTRUCTED**

Again, this presentation was for informational purposes. If the Village and Moline pursue, there will be detailed plans and agreements in place.

*** WILL THE BE A NOVEMBER REFERENDUM AS STATED IN TV6 INTERVIEW**

Nowhere during the presentation was this discussed, so we are not sure why that was stated by TV 6.

*** WHAT ARE THE FIXED VILLAGE COSTS – REGARDLESS**

The information that has been compiled thus far is in draft form and has not been vetted to the entire village board, so once this is complete, the village will make available to the public in a similar fashion as the Moline informational presentation.

*** WILL THE "12 MILLION" DOLLAR INFRASTRUCTURE BE "SOLD" TO MOLINE THRU CREDIT FOR SERVICES**

This is premature to answer, at this point, the presentation was informational only.

*** RESIDENT'S COST = TOTAL COSTS DIVIDED BY NUMBER OF USERS (IS 1265 THE NUMBER) (THERE ARE 5 HOUSES FOR SALE ON MY BLOCK ALONE)(INCLUDING VILLAGE IS EVERY USER ON A METER) VILLAGE COSTS ARE "SET" REGARDLESS OF THE SCENARIO - SO NEED TO KNOW WHERE THE MONIES ARE COMING FROM**

THE FEWER THE USERS TO THE SYSTEM - THE HIGHER THE INDIVIDUAL'S COST - MOLINE IS BETTING THEIR COSTS ON THE NUMBER OF PLAYERS FROM CV (1265 NUMBER)

THAT IS WHY MOLINE IS ATTEMPTING TO EXPAND THEIR BASE - MORE USERS REDUCES INDIVIDUAL COSTS

IF ONE THROWS A "PARTY" PLANNING ON 100 ATTENDEES TO PAY THE BILL TO SET TICKET PRICE AND ONLY 50 SHOW UP - WHO EATS THAT COST - THE VILLAGE - WHERE DOES VILLAGE GET MONIES - TAX PAYERS

Moline's presentation addresses their cost for water and the cost of the Village.

*** WHAT IS VILLAGE COSTS FOR MOLINE'S 50 MILLION SEWAGE UPGRADE**

CV cost is \$0.

*** WILL THE VILLAGE EXPERIENCE STAFF REDUCTIONS**

At this time no staff reductions are planned.

*** WHAT IS VILLAGE FIXED EXPENSES**

The information that has been compiled thus far is in draft form and has not been vetted to the entire village board, so once this is complete, the village will make available to the public.

*** WHAT IS MOLINE'S MRTF AND WHAT IS BACK UP PLAN**

Moline's presentation has addressed this.

*** WHAT IS THE ROR VS ROI FOR VILLAGE - THEREFORE RESIDENTS**

The information that has been compiled thus far is in draft form and has not been vetted to the entire village board, so once this is complete, the village will make available to the public.

*** WHAT IS IMPACT TO PROPOSED ANNEXES + NIABI ZOO PROPOSALS WITH RICO**

There should be no impact – as the village grows the infrastructure will follow the growth.

*** IF MOLINE IS ALREADY AT SEWER CAPACITY - HOW CAN VILLAGE ADD USERS AND EXPAND**

The village has and is investing in infrastructure improvements on the sewer system to reduce infiltration and flow to Moline. Moline has been managing flows via variable speed pumping equipment at Coal Creek lift station to prevent surcharging and violations. If surcharging occurs routinely, this could lead to limited growth. Growth is not restricted now however. The importance of 'tightening' the CV collection system is important.

*** IF MOLINE IS PEDDLING "WATER" TO ALL ILLINOIS CITIES + ROCK ISLAND ARSENAL -**

WHAT IS THEIR CAPACITY FOR FULL FILLING ALL USERS NEEDS

4 Million Gallons per day is Moline's reserve Capacity for drinking water.

*** IF MOLINE IS SURROUNDING VILLAGE WITH WATER/SEWER SERVICE WHEN IS THE ANNEXATION**

TO "SOUTH MOLINE" (LIKE EAST MOLINE) TO OCCUR

Moline has no intention nor legal authority to annex Coal Valley. East Moline and Moline are separate municipal corporations. Similar in name only.

*** WHAT ARE THE IEPA VS MOLINE TRADE OFFS**

Coal Valley's pending infrastructure project is a separate issue for the village. It is however related to the Moline talks in that the water system improvements included in the Village's plan would need further discussion if Moline was added as a partner.

*** WILL THERE BE A "25 YEAR" AGREEMENT OR RENT TO OWN**

This is premature to answer, at this point, the presentation was informational only.

*** WITH MOLINE PLANS - WHAT IS IMPACT IF VILLAGE DOES NOT SIGN A PACT IN THE FUTURE**

We continue as a village.

- * **WHAT IS THE ESTIMATED RESIDENTIAL COSTS DURING TRANSITIONS (7.95 VS 11.95 VS HIGHER)**

Moline's presentation addressed the costs.

- * **IF MOLINE IS IN CHARGE WHY METER SEWER AND WHO RESOLVES HUGE INFILTRATION CONCERNS**

As Moline presented, we will only be charged for the water we use. Again, Moline's presentation addresses Wholesale and Retail disadvantages and advantages.

- * **IF MOLINE IS SELLING THEIR WATER - THEN WHY IS "BOTTLED WATER" PER HOUSE HOLD SO HIGH -
IN FACT THE MOLINE REPS WERE DRINKING BOTTLED WATER DURING PRESENTATION**

Moline does not sell bottled water. The bottled water the Moline representatives were drinking was provided as a courtesy of the village.

- * **MOST OF US - INCLUDING THE BOARD - WILL NOT BE AROUND TO WATCH THE PLANS UNFOLD - SO
WHAT ARE WE LEAVING FOR OUR CHILDREN AND WHAT IS THE "CARROT" FOR NEW
RESIDENTS/BUSINESSES TO MOVE TO THE VILLAGE FOR FUTURE GROWTH - MOLINE GOALS IS TO
EXPAND THEIR USER BASE WITH NEW RESIDENTS/BUSINESSES**

As any other community/city/town/village would agree, it's important to have sound infrastructure, comprehensive planning, local services and good schools to grow the population base in order to spur economic development for future generations.

- * **IF I THINK OF ANYTHING ELSE I WILL SEND AN AMENDMENT**

And we will be happy to answer to the best of our ability.