



CITY OF WASHINGTON, ILLINOIS
Committee of the Whole Agenda Communication

Meeting Date: 3-11-2024

Prepared By: Dennis Carr – City Engineer

Agenda Item: IEPA Project Plan and Water Rate Study

Discussion:

As was discussed during the Strategic Planning meeting, our water fund has been operating at a deficit for a few years. Even though we are running at a deficit, there are still large capital expenditures that are approaching.

Staff has proposed several major improvements to our water system at both the Strategic Planning Session as well as with Crawford Murphy and Tilly (CMT). Some of these improvements include the construction of Water Tower #3, Cummings Lane Watermain Replacement, Business 24 Watermain Replacement, Bondurant Watermain Replacement, and Well #13.

The IEPA has a low-interest rate program that can be utilized for projects called the State Revolving Fund (SRF) Loan, which is similar to what is be utilized on the wastewater side. Similar to the wastewater side, the first step to obtaining an IEPA SRF Loan is to obtain “Project Plan” approval from the IEPA.

The Project Plan will need to include a rate study to show how the City will afford to pay the loan payment. The rate study will develop a financial plan for the utility, including the addition of the capital costs for the proposed capital improvements, and determine appropriate rates, including examination of the fixed and variable components of the rates along with a section in the written report documenting the methodology, analysis, and findings.

CMT has been providing the City with excellent service as it pertains to our water system and staff recommends continuing to use them.

Fiscal Impact:

CMT has provided a proposal to complete this project plan with assistance from Raftelis for a cost of \$70,000.

Action Requested: Staff requests discussion on the Project Plan and its inclusion with the 2024/2025 budget.