



December 6, 2016

Re: Water and Sewer Rates

Dear Lindenhurst Resident,

The Village continues to take steps toward the transition to Lake Michigan water as the community's source of drinking water. Lindenhurst is now an official member of the Central Lake County Joint Action Water Agency (CLCJAWA), the Agency that will provide Lindenhurst with Lake Michigan water. In addition, the Village has completed a number of major infrastructure improvements needed to prepare the Village's water system for this transition. We are anticipating that the transition will occur sometime during the third or fourth quarter of 2017.

As we have communicated in the past, the change to Lake Michigan water will result in an increase in water rates. This increase will pay the cost of purchasing water from CLCJAWA, as well as the debt service related to the system improvements.

Referencing public information communications of 2011-2013, the Village estimated a household using 8 units of water (6,000 gallons) would be asked to pay an additional \$16.56. We are happy to report that the actual increase needed will be less, \$13.66. However, customers using more water will see larger increases.

After review of the current rate structure for both water and sewer, which includes certain minimum charges regardless of usage, it was determined a flat per unit rate structure would be a more common and equitable system. This would eliminate the minimum charges, allow residents to better manage costs by controlling usage, and will offset the slated increase in water rates through reduced sewer costs. In addition, this new rate structure encourages conservation.

Based upon this review, the Village will implement the new Lake Michigan water rate and move to a flat per unit charge for both water and sewer with no minimum charges. **Effective with the May 1, 2017 bills**, the water rate will be \$6.09 per unit and the sewer rate will be \$5.75 per unit. Seniors age 62 and over will still be eligible for a discounted rate.

The chart below shows several usage scenarios and the associated cost impact. Although the water rates have increased, this will be offset for approximately 42% of customers due to a reduction in sewer rates. For your own history of usage, please refer to your most recent utility bill.

COMPARISON – CURRENT COSTS VS. NEW RATE STRUCTURE

Units	WATER			SEWER			TOTAL		
	Current	Lake MI	Difference	Current	Per Unit	Difference	Current	Per Unit	Difference
1	35.06	6.09	(28.97)	66.86	5.75	(61.11)	101.92	11.84	(90.08)
2	35.06	12.18	(22.88)	67.50	11.50	(56.00)	102.56	23.68	(78.88)
3	35.06	18.27	(16.79)	68.14	17.25	(50.89)	103.20	35.52	(67.68)
4	35.06	24.36	(10.70)	68.78	23.00	(45.78)	103.84	47.36	(56.48)
5	35.06	30.45	(4.61)	69.42	28.75	(40.67)	104.48	59.20	(45.28)
6	35.06	36.54	1.48	70.06	34.50	(35.56)	105.12	71.04	(34.08)
7	35.06	42.63	7.57	70.70	40.25	(30.45)	105.76	82.88	(22.88)
8	35.06	48.72	13.66	71.34	46.00	(25.34)	106.40	94.72	(11.68)
9	35.06	54.81	19.75	71.98	51.75	(20.23)	107.04	106.56	(0.48)
10	35.06	60.90	25.84	72.62	57.50	(15.12)	107.68	118.40	10.72
11	35.06	66.99	31.93	73.47	63.25	(10.22)	108.53	130.24	21.71
15	35.06	91.35	56.29	76.87	86.25	9.38	111.93	177.60	65.67

Additional communications regarding the upcoming transition to Lake Michigan water will be forthcoming; in the meantime, please contact Village Hall with any questions at 847-356-8252, or visit the Village’s website at www.lindenhurstil.org.

Sincerely,

Village of Lindenhurst