



September, 2019

RE: Lake Michigan Water Project – Water/Sewer Rate Adjustments

Dear Water/Sewer Customer,

With the delivery of Lake Michigan water right around the corner, I would like to take this opportunity to provide you with a brief update on the Lake Michigan Water Project. In this letter I will review the financial impact of this project to the water/sewer customer and provide information regarding a recent water/sewer rate adjustment that took effect July 1, 2019 that is reflected for the first time on the enclosed bill.

As many of you know, at the onset of the Lake Michigan Water Project in 2012, Wauconda voters approved by a 2-1 margin a referendum that authorized the Village to issue up to \$41 million in general obligation bonds to pay for the Lake Michigan Water Project. This voter approved referendum afforded the Village the opportunity to pay for the Lake Michigan Water Project using a combination of property taxes and revenues generated by water rates. To date, of the approximately \$48 million in total project costs, roughly \$22 million in costs is being paid for by revenues generated from water rates with the remaining \$26 million being financed through property taxes.

Water/Sewer Rate Adjustments

In July, 2018 the Village Board approved a new 5-year water/sewer rate schedule that adjusts rates each year to begin paying for Lake Michigan Water Project costs. This new schedule also simplifies the current rate structure by eliminating the business and industrial rate categories. The new water/sewer rates that took effect on July 1, 2019 are as follows:

<u>Description</u>	<u>Rate</u>
Combined Water/Sewer Services (per 1,000 gallons)	<u>\$17.14</u>
Water Service Only (per 1,000 gallons)	<u>\$8.38</u>
Sewer Service Only (per 1,000 gallons)	<u>\$8.76</u>

Please visit www.wauconda-il.gov/WaterRates to view the full approved water/sewer rate schedule.

These new water/sewer rates will be reflected for the first time on the water/sewer bills received by customers in September for their July water/sewer usage. As a reminder, water/sewer rates are

based on a rate per every 1,000 gallons of usage, with the minimum monthly bill equal to 2,000 gallons of usage. Also, water usage is synonymous with sewer usage. For example, 1,000 gallons of water used will equate to 1,000 gallons of sewer used.

While the water/sewer rates and structure have changed, the Village will continue to offer its senior citizen discount program, which provides registered participants age 65 and over with a 10% discount on the first 2,000 gallons of billed water/sewer per month. If you are age 65 and over and would like to participate in this free program, please bring a photo ID that includes your date of birth and Wauconda mailing address to the Wauconda Village Hall – 101 N. Main Street to register.

Next Steps

As we approach water delivery in the coming weeks, the Village will be providing additional updates and other useful information to customers regarding this very important project. This information will include, among other things, what to expect with the transition to Lake Michigan water, what to do with water softeners and water filters, and when our official “go live” date will be for the delivery of water into the Wauconda water system. Please stay tuned to the Village website and Village social media for more information.

On behalf of the Village of Wauconda, I would like to thank you for your continued patience and cooperation during this long endeavor to bring a clean and sustainable source of drinking water to Wauconda.

Sincerely,

VILLAGE OF WAUCONDA

A handwritten signature in black ink, appearing to read "Lincoln F. Knight". The signature is written in a cursive, flowing style.

Lincoln F. Knight, Mayor