

Securing the Future – Investing in Valparaiso's Infrastructure



VALPARAISO CITY UTILITIES

Water & Sewer Rates
2014 - 2016

Presented to the Valparaiso City Council
October 28, 2013

- **Our Vision**
- **Summary of Services**
- **Infrastructure**
- **Proposed Rate Schedules**
- **Q/A**



- **Cumulative effects of inflation (power, fuel, chemicals)**
- **New well field and upgrading facilities**
- **Environmental requirements**
- **Benefits**
- **Capital improvement & infrastructure rehabilitation**
- **Accommodate growth & economic development**

Making a difference:

Improving Valparaiso's quality of life through.....

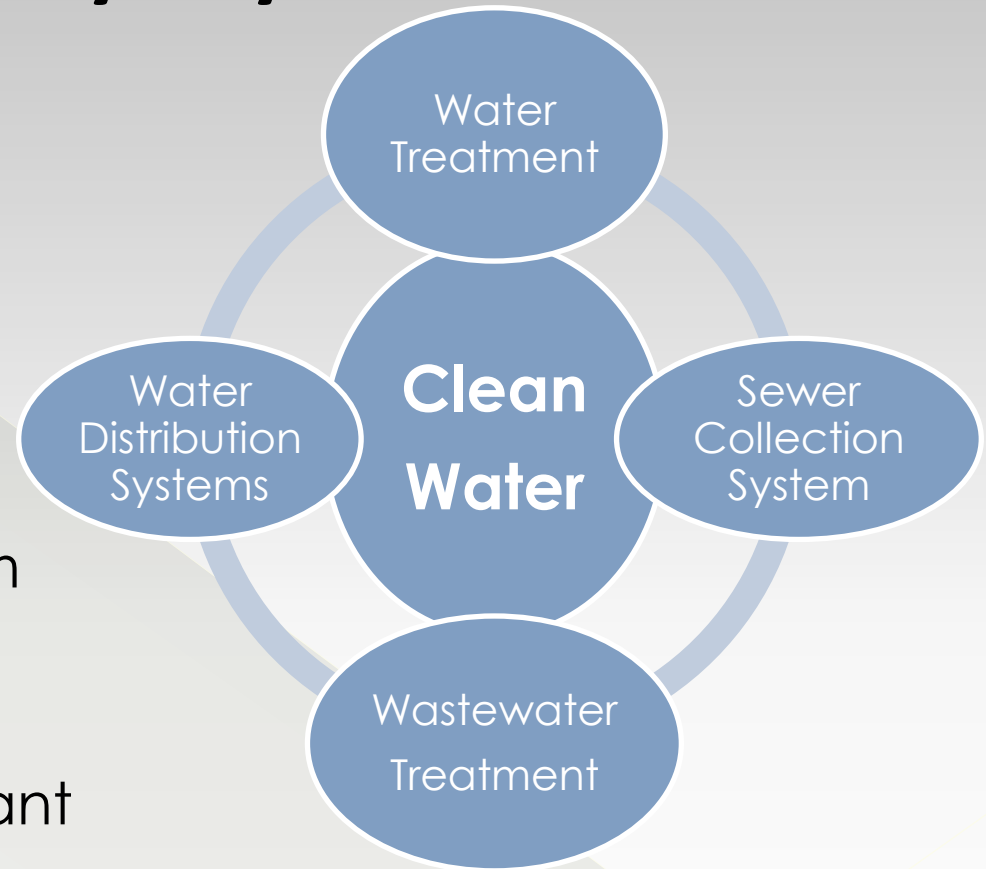
- **Compliance of Water & Wastewater Facilities**
 - ✓ Public health
- **Environmental Stewardship**
- **Cost Management Solutions “Fiscal Strength”**
- **Support of Sustainable Economic Development**



Providing essential services 24/7

All night, all day, every day

- Well Fields
- Water Treatment Plants
- Water Distribution System
- Towers & Reservoirs
- Sewage Collection System
- Storm Water Systems
- Wastewater Treatment Plant
- Salt Creek Watershed/Great Lakes Basin



Under-investment in water and wastewater infrastructure is a nationwide concern....

“Pipes are expensive, but invisible. Pipes are hearty, but ultimately mortal. Increased expenditures are needed. The bills are now coming due, and they loom large.”

American Water Works Association
May 2001

We don't want Valparaiso's pipes to deteriorate and fail.....

- Valparaiso's water distribution system includes over 500,000 feet of unlined cast iron pipe – 45% of the system installed between the 1930s and the 1970s (50-100 years).
- Valparaiso's sewer collection system includes over 400,000 feet of sewer main that is greater than 50 years of age. 40% of the system is between (50-100 years.)



Prioritization

➤ Main breaks

✓ \$3,000 Break

✓ 80/year

✓ \$240,000

MAINS THAT NEED TO BE REPLACED

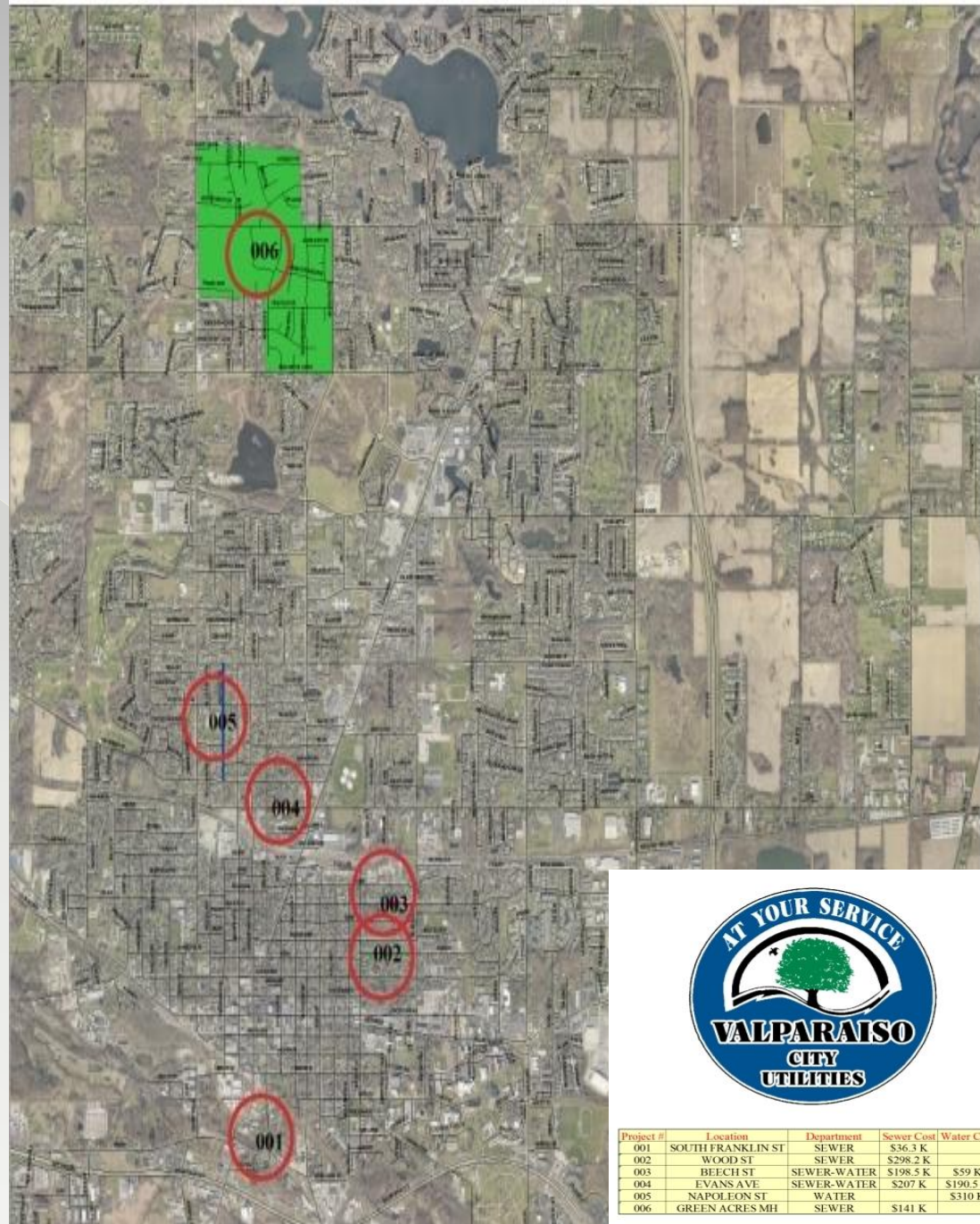
MAIN LOCATION	SIZE (IN INCHES)	LENGTH (IN FEET)	INSTALLED	# OF BREAKS
Lind Lane	8	1440	1964	14
Roosevelt Rd -Evans Ave to Lincolnway	8	3800	1960s	30
Weston St-Park Ave to Lincolnway	8	2100	1950s	11
Morgan Blvd-Elm St to Chicago St	8	1700	1930s / 1950s	17
Indiana Ave-Napoleon to Campbell St	8	616	1937	10
Meadow Lane @ Northview Dr	8	930	1950s	9
College Ave-Elm St to Lincolnway	8	2450	1950s	21
Franklin St-Evans Ave to Institute St	8	1500	1950s	20
Fair St	8	1600	1920s - 1980s	21
Sheffield Dr-Campbell St to Berkley Dr	8	2200	1950s	19
Franklin St-Glendale Blvd to McKinley St	8	1800	1950s	16
Harrison Blvd / Beulah Vista area	8	750	1920s	8
Campbell St-Meridian Woods Entrance to Meadow Ln	12	1475	1970s	7
Summit Dr-Pineview Ln to Green Acres Dr	8	600	1988	6
Coventry Cir	8	1200	1960s	13
Glendale Blvd-Calumet Ave to Roosevelt Rd	8	1100	1960s	12
Berkley Dr-Somerset Dr to Glendale Blvd	8	1300	1960s	10
Roane Ln	8	1200	1964	15
Bond Ave	8	2500	1940s / 1950s	16
Milton St-Hope St to Bond Ave	8	420	1950s	5
Sherwood Dr	8	3000	1960s	19
Green Acres Dr-Hemlock Dr east	8	1340	1960s	12
Linden Dr	8	2600	1960s	21
Fisher St / High St area	8	2200	1970s	10
Elm St-Morgan Blvd to Roosevelt Rd	8	3000	1940s / 1950s	17
Whitney Dr / Calhoun Ct	8	600	1980s	8
West St-Horseprairie Ave to end	8	2530	1934	4

Sewer Infrastructure Projects 2012 - 2013

South Franklin	\$ 36,000
Wood Street	\$ 300,000
Beech Street	\$ 199,000
Evans Avenue	\$ 207,000
Green Acres	\$ 141,000
Axe Avenue	\$ 95,000

***Sewer \$975,000 (2700 feet)**

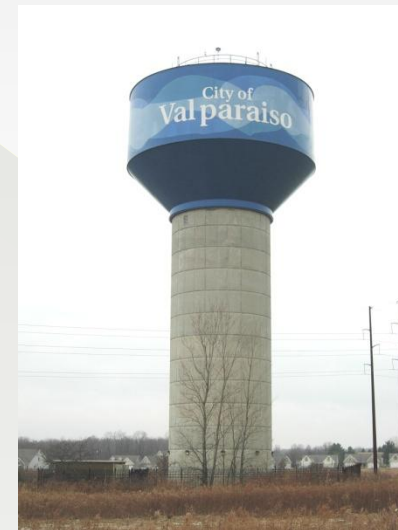
***\$250,000 Reimbursed by Cum Sewer
Fund**



Project #	Location	Department	Sewer Cost	Water Cost
001	SOUTH FRANKLIN ST	SEWER	\$36.3 K	
002	WOOD ST	SEWER	\$298.2 K	
003	BEECH ST	SEWER-WATER	\$198.5 K	\$59 K
004	EVANS AVE	SEWER-WATER	\$207 K	\$190.5 K
005	NAPOLEON ST	WATER		\$310 K
006	GREEN ACRES MH	SEWER	\$141 K	

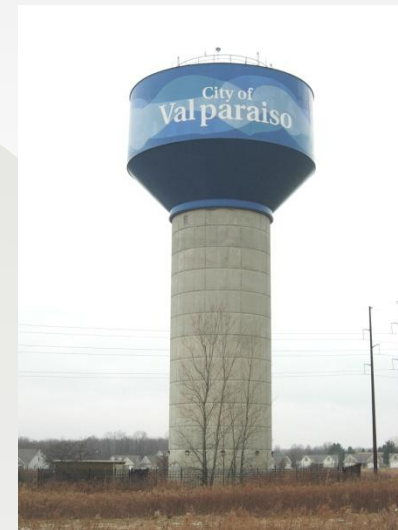
Improving our quality of life.....

- Controlling sewage overflows, surface flooding and basement backups.
- Treating sewer overflows.
- Treatment plant improvements.
- Drinking water meets or surpasses all state and federal standards.
- Protected from contamination



Improving our quality of life.....

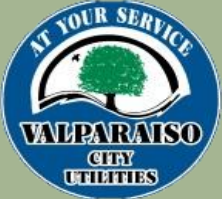
- Controlling sewage overflows, surface flooding and basement backups.
- Treating sewer overflows.
- Treatment plant improvements.
- Drinking water meets or surpasses all state and federal standards.
- Protected from contamination




Improving Service & Minimizing Costs

- **Integration of Water & Wastewater Workforce**
 - Water & Wastewater Divisions
 - Capital Equipment Savings/Elimination of future FTEs through Attrition/Flexibility
 - **Future Savings: \$180,000-\$300,000 annually**
- **Succession Planning**
 - Utilities Director/Assistant Director
 - Water Operations Manager/Wastewater Manager
 - Distribution Manager/Sewer Superintendent – **C&D Manager**
 - **\$250,000 – Salaries & Benefits – annual savings**
- **Treatment Plant Optimization**
 - Development of Energy Policy
 - Sustainable Reductions in Electrical & Natural Gas Costs
 - **Overtime/Schedules/On-call/ - \$250,000 – annual savings**

Proposed Phased Water Increase

<p><u>Department of</u></p> <p><u>Water Works</u></p> 	<p>PHASE I</p> <p>1/1/2014</p> <p>To</p> <p>6/30/2014</p>	<p>PHASE II</p> <p>7/1/2014</p> <p>To</p> <p>12/31/2015</p>	<p>PHASE III</p> <p>1/1/2016</p>
<p>Across the Board % Increase</p>	<p>19.01 %</p>	<p>10.76 %</p>	<p>2.79 %</p>
<p>Increase in Average Residential Bill</p>	<p>\$ 4.76</p>	<p>\$3.20</p>	<p>\$0.92</p>
<p>Resulting Average Residential Bill (Presently @ \$25.05 for 5000 gallons)</p>	<p>\$29.81</p>	<p>\$33.01</p>	<p>\$33.93</p>

Proposed Phased Sewer Increase

<p><u>Water Reclamation</u> <u>Department</u></p> 	<p>PHASE I</p> <p>1/1/2014</p> <p>To</p> <p>6/30/2014</p>	<p>PHASE II</p> <p>7/1/2014</p> <p>To</p> <p>12/31/2015</p>	<p>PHASE III</p> <p>1/1/2016</p>
<p>Across the Board % Increase</p>	<p>18 %</p>	<p>8 %</p>	<p>4 %</p>
<p>Increase in Average Residential Bill</p>	<p>\$ 6.49</p>	<p>\$ 3.40</p>	<p>\$ 1.84</p>
<p>Resulting Average Residential Bill (Presently @ \$36.04 for 5000 gallons)</p>	<p>\$42.53</p>	<p>\$45.93</p>	<p>\$47.77</p>


Water & Sewer Financial Summary



■ Proposed rates include:

- \$750,000/year for Infrastructure rehabilitation
- PILOT increase of \$425,000/year
- CIP – Pay as you go
- Proposed debt service for well field and expansion
- Proposed debt service for wastewater upgrades
- Plus annual funding/sublease for Public Works Facility
\$149,000/year

Water & Sewer Summary

VALPARAISO CITY UTILITIES 	PHASE I 1/1/2014 To 6/30/2014	PHASE II 7/1/2014 To 12/31/2015	PHASE III 1/1/2016
Increase in Average WATER Residential Bill	\$ 4.76	\$3.20	\$0.92
Increase in Average SEWER Residential Bill	\$ 6.49	\$ 3.40	\$ 1.84
Total increase in Average WATER & SEWER Residential Bill	\$ 11.25	\$ 6.60	\$ 2.76

SCHEDULE OF IMPLEMENTATION

WATER & WATER RECLAMATION

- ✓ Resolution & Recommendation by the VCU Board of Directors 10/22/2013
- ✓ Rate Ordinances – Common Council
- ✓ Presentation & First Reading October 28, 2013
- ✓ Second Reading, Public Hearing and Final Vote November 11, 2013

Questions?: Steve Poulos (spoulos@valpo.us)