

## **From the Desk of the Administrator**

I hope everyone had a wonderful Thanksgiving with family and friends. I would like to start out by saying a BIG THANK YOU to everyone for their support in the passing of our 2 mill renewal levy in November. This will generate approximately \$46,000 annually and will be used to help fund the Police and Fire Departments, along with the Street Department for snow removal.

With December here, I am once again going to skip talking about Energy Efficiency. I am starting to think maybe I am not supposed to talk about that subject. Instead, I want to discuss with you the upcoming utility rate increases you will be seeing in your Feb. 1, 2019 utility bill.

I will begin with the Electric rates, in 2017 we had a Cost of Service Study (COS) completed to determine the financial position the Electric Department is in. It was determined we are in pretty good shape, but with the need for the additional Substation, Council would need to do a rate increase. Council decided to do a small increase every year for four years instead of a larger one time increase. For 2019, the cost per kilo-watt hour (kwh) will increase from 11.548 cents to 11.637 cents. Also, the customer charge will increase from \$10 a month to \$12 per month.

For example, I will show the increase in an electric bill using 832 kwh. This is actually the average kwh used by residential customers per month. In 2018, the cost of 832 kwh is \$96.08 (.11548 cents per kwh). In 2019, the cost for 832 kwh is projected to be \$96.82 (.11637 cents per kwh). An increase of .74 cents per month. Add that to the \$2.00 increase in the customer charge and that will be an increase of \$2.74 for a customer using 832 kwh in a month.

We have completed a COS for the Water and Sewer Departments this year to check their financial wellness. Results show a need to also do rate adjustments to get these departments on track. A couple of points on the need for these increases are, we have a utility agreement with Plastipak from when we ran water and sewer mains to their facility. The Village will see these revenues go away in a couple of years. Also, the Water Department finished in the red once over the last three years and the Sewer Department has finished in the red the last 3 years. It was not by a lot but not a pattern we want to continue. So, Council is looking at an increase for the next 3 years to spread the increase over a longer period like the Electric rates are being done. An increase for water is projected to be \$1.65 a month for

the 5000 gallon minimum. For Sewer an increase is projected to be \$4.20 a month for the 5000 gallon minimum.

For example, I will show the monthly increase using the minimum 5000 gallon. In 2018, the minimum for water is \$18.31 and in 2019 - \$19.96. An increase of \$1.65 a month. Sewer, in 2018, is \$28.03 and in 2019 - \$32.03. An increase of \$4.20 a month. A customer using the 5000 gallon minimum will see a total increase of their water and sewer bill of \$5.85 a month. There will be no increase in the customer charge for Water and Sewer.

Council has done a good job keeping our rates down, but at the same time realize these utilities need to be able to sustain on their own.

If anyone has any questions on either of these projected rate increases, please give me a call at the Village Office at (937) 596-6314.

(Next month: Energy Efficiency) maybe?