

Featured Presentation by:
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July 12, 12:00-1:30pm Eastern
The Horinko Group's Offices, Washington, DC



Addressing Water Infrastructure Challenges

The Local Government Perspective

*Why good ideas are
overlooked and how to
promote more effective
collaboration.*

Overview

Impediments to Collaboration?

Water is an Economic Development Tool.

Budgeting and the Politics of a Water Rate Increase.

Regionalization and Consolidation are Working Already.

Conclusions.

Why Development of Regional Water Supply is Important.

- What is “regional”?
 - Must Look at it purely from the Local Perspective to get a true understanding.
- Scarce Resources Require Innovation by Government
 - Working outside of comfort zones.
 - Consolidation with neighbors.
 - Collaboration through a Public/Private Partnership model.

Two Impediments to Collaboration?

- **#1: Territory.**
 - Historical Divisions.
 - Political Divisions.
- **#2: Importance of the local water department to a Mayor's budget.**
 - Major source of revenue.
 - Jobs.

- **#1: Territory**

- Montgomery County, Illinois

- City of Litchfield, Illinois (Population 7,000)
- City of Hillsboro, Illinois (Population 6,100)





- Montgomery County, Illinois
 - City of Litchfield, Illinois
 - City of Hillsboro, Illinois



- Montgomery County, Illinois

- City of Litchfield, Illinois
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- **#2: Importance of the Local Water Department to a Mayor's budget.**
- City of Bunker Hill, Illinois
 - Major Source of Revenue.
 - Jobs.

Water is an Economic Development Tool.

- **No Water = No Jobs. Local officials understand this—but when its too late?**
 - Opportunity: Water & jobs are the highest priorities for local elected officials.
- **Understanding capacity is a difficult challenge on the local level.**
 - Capacity and job growth go hand in hand.
 - Local elected officials and community leaders understand the value of jobs.

Budgeting and the Politics of a Water Rate Increase.

○ How Long Term Planning Gets Lost.

- How does Long Term Planning happen today?
 - Crisis.
 - An individual has courageous foresight.
- Timing: Water projects usually outlive the life-span of elected officials.
- Fiscal Concerns: Balancing immediate needs with long term goals is a difficult proposition.
- Who Owns the Future: Long-term and future planning usually doesn't or sometimes can't come from within. This is an opportunity for the federal government and private sector.

City of Bunker Hill, Illinois

2001 Water Rate Increase Ordinance

ORDINANCE NO: 01-06

AN ORDINANCE ON WATER RATES

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF BUNKER HILL, MACCUPIN COUNTY, ILLINOIS, AS FOLLOWS:

SECTION I: WATER RATES. Section 38-4-11 of the Revised city Code of the City of Bunker Hill, Illinois, is hereby amended and changed to read as follows:

38-4-11 **WATER RATES.** There shall be established the following rates and charges for the use of the water system of the City, based upon the amount of water consumed as follows:

- (A) **Combined Water and Sewer Rates.**
- | | |
|---|---------|
| First 1500 Gallons | \$20.31 |
| (\$8.25 per 1500 gallons water/\$12.06 per 1500 gallons sewer) | |
| Next 25,000 Gallons | \$8.66 |
| (\$7.25 per 1,000 gallons water/\$1.41 per 1,000 gallons sewer) | |
| Next 25,000 Gallons | \$8.16 |
| (\$6.75 per 1,000 gallons water/\$1.41 per 1,000 gallon sewer) | |
| Next 25,000 Gallons | \$7.66 |
| (\$6.25 per 1,000 gallons water/\$1.41 per 1,000 gallons sewer) | |
| Next 25,000 Gallons | \$7.16 |
| (\$5.75 per 1,000 gallons water/\$1.41 per 1,000 gallons sewer) | |
| Over 101,500 gallons | \$4.91 |
| (\$3.50 per 1,000 gallons water/\$1.41 per 1,000 gallons sewer) | |
- (B) **Water Service Only.**
- | | |
|---------------------|--------------------------|
| First 1500 Gallons | \$8.25 Minimum Charge |
| Next 25,000 Gallons | \$7.25 per 1,000 gallons |
| Next 25,000 Gallons | \$6.75 per 1,000 gallons |
| Next 25,000 Gallons | \$6.25 per 1,000 gallons |
| Next 25,000 Gallons | \$5.75 per 1,000 gallons |
| Remainder | \$3.50 per 1,000 gallons |
- (C) **Sewer Service Only.**
- Where Water Service is not available \$12.06 per month
Where water service is available but not used \$20.31 per month.
- (D) **Users Outside City Limits.** Pay the above schedule, plus an additional service charge of Four Dollars (\$4.00) per month.
- (E) **Bulk Water Rates.** Sales to be set at Eight Dollars (\$8.00) per one thousand (1,000) gallons.

SECTION II: This Ordinance shall be in full force and effect from and after the date of its passage, approval and publication as required by law.

Voting Aye 5

Voting Nay 0

PASSED this 19 day of September, A.D. 2001.

Rhonda Whitworth
Rhonda Whitworth
CITY CLERK

APPROVED by the Mayor of Bunker Hill, Illinois, this 19 day of September, A.D. 2001.

Andrew W. Mayor
Andrew W. Mayor
MAYOR

ATTEST:

Rhonda Whitworth
Rhonda Whitworth
CITY CLERK

- City of Bunker Hill, Illinois
 - 2001 Water Rate Increase Ordinance

What were the difficulties?

- Concerns of large users.
- Concerns of Senior Citizens.
- Making the case for immediate system needs.
 - Building a new water line is different than building a new road.
- Making the case for future needs.
 - Very difficult in rural areas.

- City of Bunker Hill, Illinois
 - 2001 Water Rate Increase Ordinance

What was the rate increase used for?

- Approximately 80% of the new revenue generated was used for increase in bulk water rates from private supplier on the Mississippi River.
- Approximately 20% of the new revenue generated was earmarked for current system repair and maintenance.
- 0% was used for system expansion or building capacity toward residential growth.

Regionalization and Consolidation are Working Already.

- The building blocks already exist.
- Innovation and consolidation are happening in other areas at a greater pace.
- Current examples of Regional and Consolidated Public Services in Macoupin County, Illinois.
 - Regional Office of Education #40.
 - West-Central Development Council.
 - Macoupin Economic Development Partnership.
 - Rural Public Transportation.
 - Consolidation of School Districts.

Public Private Partnerships are Working Already on the Local Level.

- Example: Macoupin Economic Development Partnership.
 - Formed following multiple coal mine closures and major loss of employment.
 - Government-run model was closed down.
 - Fiscally responsible.

Concluding Remarks.

- **Are we discussing real “Impediments” or the need to better understand local challenges?**
 - Willingness to change exists today.
- **Get “down into the weeds”.**
 - One-size doesn't fill all. Its complicated but communities and their needs are unique.
- **With challenges comes opportunity.**
 - Federal Government has a role and many opportunities.
 - Studying capacity needs: give a roadmap.
 - Private Industry has a role and many opportunities.
 - Roadmap for funding and new ideas.

Contact Information

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