



Water/Sewer Fact Sheet
July 30, 2020

The City operates its own water system and sewer system. It serves about 1,120 water customers and 1,060 waste water customers. It also sells water to the Village of Camargo which has about 180 water customers.

From 2016 until now water rates were adjusted to offset increased costs and to fund a \$4 million project for the water treatment plant. The City currently has about \$4 million of debt related to the water plant. As of 4/20/19 the net revenue from water and sewer available for debt service was approximately \$263,000.00. Funds generated from the water and sewer system cannot be used for unrelated projects.

Last year, the City undertook a review of its sewer plant. The result was a report summarizing a \$14 million wastewater program or about \$13,200 per household. Since that report, the City has undertaken the following:

1. Directing Fehr Graham engineers to provide various options ranging from the minimum amount of needed work up to the \$14M project in order to create more spending options.
2. Considered proposals from various contractors to do parts of various projects in an effort to find cost savings.
3. Hired an outside national expert on water and sewer systems to look at the City's systems, the various proposals, and make recommendations. That report is from Hartman Consultants, LLC and is available for the public to look at on the City's website: www.villagrove.org
4. Considered various funding programs to pay for any future projects which offer inexpensive interest rates and loan forgiveness.
5. Searched for various grant programs.

Once various proposals come back with more funding information, the City has requested that the engineers prepare recommended sewer rate options sufficient to pay for ongoing expenses and carry the expenses of any capital improvement projects.

One of the options in the Hartman report contemplates a possible sale of the system and recommends that the City put out a request for proposals to see what kind of interest and what kind of offers might be made for the system. That request would not obligate the City to sell the system. These options were discussed at the City Council meeting held on 7/29/20. The Council chose to not authorize a request for proposal and instead has requested that final reports for all options be provided and shared with the Mayor, City Council and Public. No decision to sell the system has been made and a public review of all options is ongoing. It is anticipated that getting more project, funding, and payment proposals will take a few months. In the meantime, the City will continue to maintain its systems, repair and upgrade as necessary, and plan for its continued operation and ownership.