

Iowa Lakes REGIONAL WATER

DECEMBER 2010

Iowa Lakes Regional Water Announces Change in the Cost of Water

Drinking water is essential for life and Iowa Lakes Regional Water offers some of the best quality tap water in the United States. It is our responsibility to ensure that the quality of water delivered at every home is safe to drink and there is adequate quantity every day of the year.

Annually, the Board of Directors reviews the operations and maintenance costs to deliver water including such costs as electricity, regulatory and laboratory fees, costs in water purchased from suppliers, and fuel. The cost increases we have experienced post Hurricane Katrina have adversely impacted the total operational cost of the system. Fuel prices have risen up to \$4.00 per gallon since then and the economy downturn last fall have contributed to increases that have exceeded normal inflation expectations. Therefore, an adjustment is required to pay for all these costs associated with operating a safe, reliable water system.

Not only does the rate schedule have to provide adequate revenues to meet operations and maintenance costs, but the

rates have to meet the District's financial requirements to fund the reserve policies established by the Board of Directors for system replacement costs.

Maintenance is a very important part of operating a public water supply system and at this time all components are in excellent operating condition, but in the future the Board of Directors will need funds to replace wells, perform treatment plant improvements, and other tasks such as repainting water towers. Funding the reserve policies will ensure the financial and operational integrity of the system.

As mentioned before, the third component of the water rates is payment of debt service. In the early 1980's, the water district began growing from a single county rural water system to a multi-county regional utility district. Thus, Iowa Lakes Regional Water established an entrepreneurial vision supported by the United States Department of Agriculture Rural

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New Process for ILRW Payment Return Envelopes

At the request of several members, ILRW is making some changes to the return envelope insertion process for monthly billing.

Currently, all members receive their monthly bills and a return envelope for their payment. Customers that utilize the option to have their payment withdrawn from their bank account each month or have a credit on their account are still receiving a return envelope. However, that will soon change!

ILRW is expecting the new process to be in place by January 1, 2011. After January 1, 2011, if not before, customers that have their payments automatically withdrawn from their bank account or have a zero or credit balance, will not receive a return envelope with their statement. The new process will also allow for customers with multiple accounts to receive all of the statements in one envelope.

ILRW is working towards going "green" and cutting down on

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Development that engaged an aggressive expansion schedule to provide more homes and farms a safe, dependable source of water at the most reasonable cost. Each time a project is started, Iowa Lakes Regional Water must obtain funding to build the project. The Board of Directors must borrow the money to construct the system because the water district does not have taxing authority. Thus, the water rates are set up to pay back the money borrowed to build the project, known as debt service.

The change in the cost of water will be effective January 1, 2011

For each separate expansion project, ILRW monitors a cost effective balance when adding users along existing distribution lines *and* extending new distribution lines. The basic governing project goal is that the current add-on project increases the user base as quickly as practical without increasing the current debt service of the existing users.

Not only are the expenditures evaluated, but the Board of Directors also evaluates the rate

schedule to ensure the fair allocation of costs to all the District's customer classes including residential users both year round and seasonal, agricultural users, and bulk users. For this reason, in setting the monthly rates, the Board requires all customers pay a monthly minimum. Otherwise, seasonal users would be paying less each month for the debt service and year-round users would have to pay on the debt service on behalf of the seasonal users.

Cost of Water

This year when the Board of Directors reviewed the operation and maintenance costs (i.e. electricity to deliver water, chemicals, laboratory fees, costs in water purchased from suppliers, and system replacement costs), an adjustment was required to meet those needs and pay for all costs associated with operating a safe, reliable system.

The change in the cost of water will be effective January 1, 2011, which includes water usage in December. The change in the cost of water includes an 8% adjustment, or \$3.50 increase, resulting in a monthly minimum charge of \$47.26 (plus tax) for either no water used or up to and including the first 2,000 gallons and an 8% adjustment per 1,000 gallons. Stated another way, average residential usage of 4,000 gallons will adjust from \$63.76 to \$68.86.

Announcements & Reminders

Iowa Lakes Regional Water will be closed on Friday, December 24, 2010 in observance of Christmas and Friday, December 31, 2010 in observance of New Year's Day

FOR WATER EMERGENCIES
BETWEEN THE HOURS OF 5:00 P.M. AND 8:00 A.M. ON WEEKDAYS AND ANYTIME ON SATURDAY, SUNDAY, OR HOLIDAYS, PLEASE CALL 712-262-8847 TO ACCESS ILRW'S EMERGENCY CONTACT INFORMATION.

Spring Reconnect
Remember it is the customer's responsibility to contact ILRW to schedule an appointment for reconnection. If a 48-hour notice is not given, a \$75.00 service charge will be applied. Only rural water personnel have access to the meter pit. Thus, reconnection must be scheduled. Please contact ILRW at 712-262-8847 for an appointment.

The Benefits of Softened Water

Hard water leaves a chalky residue that builds up in washing machines, dishwashers, hot water heaters, and other appliances, which reduces their efficiency and shortens their life. Soft water fulfills many functions and gives substantial savings and listed below are just a few of the benefits of soft water.

Plumbing

The long-term benefits are the protection of plumbing fixtures that last longer and plumbing systems that require less maintenance.

Water-Using Appliances

Soft water provides real cost savings in service, maintenance, and replacement of water heaters, dishwashers, washing machines, and showers. Soft water saves wear and tear on water-using appliances, and can help them last up to 25% longer.

Hot Water Heater

Just 1/16 inch of scale build-up in heating systems will cause a 12% loss in heating efficiency. In time, soft water can remove existing scale deposits in hot water and heating systems as well as scale build-up around taps and stains in baths and basins. Soft water provides a reduction of water heating bills - savings of approximately 28% on gas water heaters and 22% on electric water heaters. *Water heaters will last longer, as well!*

Soaps and Detergents

How much do you spend monthly on soap, detergents, and all of your cleaning supplies? On a day-to-day basis, substantial savings can be made on soaps and detergents. Soft water saves you up to 50% on dishwashing detergent. Soft water also saves you up to 66% on house cleaning supplies, including up to 40% of your time when doing cleaning chores.

Clothing/Fabrics and Personal

Soft water saves up to 55% on laundry detergent. Your clothes will be brighter and last up to 33% longer, because soft water rinses better, removing dirt and detergent. Bathing will no longer dry out your skin. Also using less bathing and health care products will save you money.

The comparison to the right shows savings in salt with ILRW. Many members choose not to use a water softener, which can result in even more savings per month.

COMPARISON *Softening ILRW Water vs Hard Well Water*

IOWA LAKES REGIONAL WATER

Existing Water Hardness
8 Grains Per Gallon (gpg)

Equipment Costs

Initial Water Softener Cost	\$1,000.00
Annual Cost (12 years at 6%)	\$119.28
Annual Repair Cost	\$60.00
Total Annual Cost	\$179.28
Total Monthly Cost	\$14.94

Cost of Softener - *Whether you rent a softener or own a softener, the cost of the unit is approximately \$14.94 per month.*

Cost of Salt

\$5.00 for a 40-pound bag

At a level of 8 gpg and for three people in the home using 5,000 gallons, the monthly cost would be approximately \$1.86.

Total Softener Cost Per Month Using ILRW

Equipment	\$14.94
Salt	\$1.86
	\$16.80

PRIVATE WELL AT 50 GPG

Existing Water Hardness
50 Grains Per Gallon (gpg)

Equipment Costs

Initial Water Softener Cost	\$1,000.00
Annual Cost (12 years at 6%)	\$119.28
Annual Repair Cost	\$60.00
Total Annual Cost	\$179.28
Total Monthly Cost	\$14.94

Cost of Softener - *Whether you rent a softener or own a softener, the cost of the unit is approximately \$14.94 per month.*

Cost of Salt

\$5.00 for a 40-pound bag

At a level of 50 gpg and for three people in the home using 5,000 gallons, the monthly cost would be approximately \$11.61.

Total Softener Cost Per Month Using a Private Well (50 gpg)

Equipment	\$14.94
Salt	\$11.61
	\$26.55

PRIVATE WELL AT 75 GPG

Existing Water Hardness
75 Grains Per Gallon (gpg)

Equipment Costs

Initial Water Softener Cost	\$1,000.00
Annual Cost (12 years at 6%)	\$119.28
Annual Repair Cost	\$60.00
Total Annual Cost	\$179.28
Total Monthly Cost	\$14.94

Cost of Softener - *Whether you rent a softener or own a softener, the cost of the unit is approximately \$14.94 per month.*

Cost of Salt

\$5.00 for a 40-pound bag

At a level of 75 gpg and for three people in the home using 5,000 gallons, the monthly cost would be approximately \$17.41

Total Softener Cost Per Month Using a Private Well (75 gpg)

Equipment	\$14.94
Salt	\$17.41
	\$32.35

Treatment Plant Maintenance Scheduled for January

Maintenance is a very important part of operating a public water supply and a driving force for service reliability. At Iowa Lakes Regional Water (ILRW), it has always been a top priority and as a result, all components of the treatment plant are in excellent operating condition.

As part of our successful maintenance program, ILRW has scheduled routine maintenance on our water softening equipment at the treatment plant, which is scheduled for January. During this time, ILRW does not expect any service interruptions, but you may notice the water will not be as soft during this maintenance period. ILRW would like to thank you for your cooperation during this time and members with any questions are encouraged to contact Elizabeth Johansen at 712-262-8847.

Service Call Fees

In 2008, the Board of Directors approved applying rates to Iowa Lakes Regional Water's operational services.

As a reminder, the charge for service calls is \$30.00 per hour plus mileage at the Internal Revenue Service rate, which is currently \$0.50 per mile. The list of billable operational services includes:

- Turning water on/off for plumbing or remodeling projects
- Raising a curb stop
- Meter pit relocations, extensions, or repairs
- Identification of leaks to customer's private lines, including the service line
- Remote post repair or replacement

A charge for winter disconnect and spring reconnect was also implemented in the fall of 2008. The charge, which includes

Return Envelope

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paper usage and purchases, as well as satisfying the customer requests. We hope the new process will be a smooth transition for everyone.

If you have any questions or problems with the new process, please contact Kari Graesing at our office at 712-262-8847 or by email at kari.graesing@ilrw.org.

both the appointment for winter disconnect and spring reconnect, is \$40.00 and is reflected on your bill after your winter disconnect appointment has been completed. Please note that a 48-hour notice is needed to schedule these appointments or further charges will apply.

If members have questions on the operational services or rates, please contact ILRW's office at 712-262-8847.



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