

Just the facts please

Answering tough questions about water and sewer bills in EM

By Cheri Bustos
East Moline Alderman

When reasonable citizens are informed, they can better understand an issue.

That doesn't make it easier to take when the facts are tough to swallow. But I'm a firm believer that, as public servants, we should do everything we can to inform our citizens. Government should operate in a fish-bowl atmosphere, with the facts out there for all to see.

With that said, I believe the City of East Moline has not adequately informed its residents about a possible water and sewer rate increase facing us.

I'd like to attempt to fix that through this column.

Who wants to pay more?

Earlier this week, it was Standing Room Only at our City Council chambers. Every seat was filled, and then some, with residents concerned about their water and sewer bills. Not one person came to the microphone to express support of an increase.

That's understandable. Who wants to pay more for anything?

It would be easy, then, for every one of the seven aldermen and the mayor to wipe out the thought of any increase of any sort... especially in an economy that is hurting a lot of us.

But it gets down to doing what's right or doing what's popular.

All too often in politics, it is the popular that prevails. It's easier that way.

But in public service -- in true public service -- doing what's right must win out.

The facts

I ask you to consider these facts regarding what our city is facing and to think about what is the right way to go:

- The city is under administrative order from the Environmental Protection Agency to move the sewer plant into compliance. The city has already been cited for sewage discharge violations, exceeding bacteria discharge limits and exceeding maximum chlorine limits in our drinking water. That's not acceptable. Not to our citizens. Not in the eyes of the EPA.
- These EPA mandates – not suggestions, but absolute 100 percent requirements – will cost us \$6.8 million just for the sewer plant.
- Life-safety issues, meaning if they are not fixed, people are at risk, have a total price tag of \$2.4 million just for the sewer plant.
- The sewer plant was built in 1955. Since 1975 -- 35 years ago -- very little equipment purchases or updates have been performed. All, every single bit, of the major equipment is beyond its useful life.
- Our current revenue from water bills is not adequate to cover even existing expenses beginning next year. In other words, we won't have the money to service our residents without dipping into reserves, which would drip down to nothing in short order.
- We have a one-time opportunity under the federal stimulus package to have one-fourth of the money it costs to make all these fixes forgiven. On top of that, we have a one-time chance to borrow the rest of the money at an ultra-ultra-low 1.25 percent interest over 20 years. Together, that is a savings of \$3.06 million that East Moline water and sewer users won't have to cover.

That's the context that is so important to understand.
So, what does it all mean?

Next steps

If the increase is approved during the Aug. 2 City Council meeting, there will be no sewer rate increase for more than a year. The water rates would go up in September. For minimum users, which is more than one-fifth of our city's residents, the increase would be \$1.04 per month. For large families, the increase would be \$4.19 per month.

The rates would be adjusted annually to meet the debt obligation it takes to fix our worn-out, aging, cracking and out-of-compliance water and sewer systems. Again, these fixes are mandated.

Two points that have been raised and are worth addressing: Billing fees and administrative costs.

On each bill East Moline residents receive, there is a billing fee. That has been criticized loudly and clearly... and, frankly, rightly. It's mischaracterized, and should be called administrative costs. By calling it a billing fee, it leads residents to believe it's the cost to get bills out the door. What it actually is: the costs, pro-rated by household, that it takes to pay for water meters, billing, accounting, annual audits, data processing, postage, printing and administrative costs of getting water to homes and businesses and treating the sewage that comes from them.

This should be explained on all bills, clearly and simply.

Could the administrative costs for some salaries be paid for by property taxes rather than user fees for water and sewer? Sure. But why? The costs still have to be covered. It would just be moving around the expense.

Sacrifice

The City Council has heard from residents, asking why we're not cutting more costs, why we're not sacrificing more. Here's what's important to note:

- We have left nine employee positions vacant this year, saving almost \$500,000.
- We have offered a voluntary retirement separation program to all eligible employees.
- Exempt employees have returned 3.75 percent of their wage increases, saving \$67,000.
- We have asked all three unions to offer concessions. So far, only the firefighters have done so, saving the city \$100,000.
- We have refinanced our bonds, saving \$317,000.
- We have banned travel to the Illinois Municipal League Conference for all city officials.

Is there more we can do? Of course. Will we look for more opportunities to save, and cut and improve efficiencies? Absolutely.

And these... are the facts.

Cheri Bustos is an alderman representing the city's Fourth Ward.