



DEPARTMENT OF WATER MANAGEMENT  
CITY OF CHICAGO

October 19, 2011

Village Of Dolton  
14014 Park Avenue  
Dolton, IL. 60419  
Attention: Mr. Paul Cambell  
Superintendent of Public Works

Re: City of Chicago 2012 Budget  
4-Year Proposed Rate Increase

Dear Valued Municipal Water Customer:

We are writing to notify you that last week the City of Chicago's 2012 Budget was introduced to Chicago City Council. Please be advised that this Budget includes a 4-year water rate increase as follows:

January 1, 2012:	25%
January 1, 2013:	15%
January 1, 2014:	15%
January 1, 2015:	15%

The rates will increase as follows:

Per 1,000 gallons		
Current	\$2.01	
January 1, 2012:	\$2.51	Impact per 1,000 gallons \$0.50
January 1, 2013:	\$2.88	\$0.37
January 1, 2014:	\$3.31	\$0.43
January 1, 2015:	\$3.81	\$0.50

**For 1,000 Cubic Feet**

Current	\$15.00
January 1, 2012:	\$18.75
January 1, 2013:	\$21.56
January 1, 2014:	\$24.80
January 1, 2015:	\$28.52

With this water rate increase the Department of Water Management will be investing in our infrastructure, Water Purification Plants and Pumping Stations. It is our goal to accelerate our program to replace water mains which have exceeded their 100 year useful life, including feeder mains. This will provide a more robust, reliable and efficient system. We will also be investing in upgrades to our Plants including a new roof for the Jardine Water Purification Plant and new electrical switchgear at our South Water Purification Plant. We will be converting 4 pumping stations that serve both the City and suburban customers from steam power to electric.

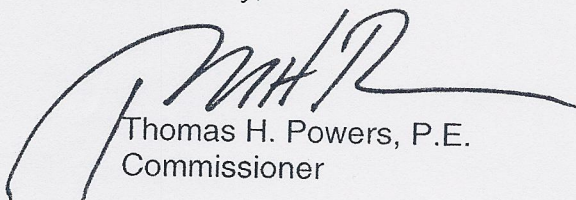
In 2007 the Chicago City Council passed a 3-year rate increase (2008, 2009 and 2010). In addition to addressing the increasing costs of utilities, chemicals and construction, that rate increase allowed us to plan, design and construct over 125 miles of water main at a cost of \$425 Million as well as design and program construction over \$260 million for our treatment and pumping facilities.

I am enclosing PowerPoint slides explaining our rate increase and its impact to you, our suburban customer.

We will continue to invest to efficiently maintain and upgrade all of our assets used to deliver water to over 5 Million people in the Chicagoland area.

Should you have any questions, please call me at (312) 744-7001.

Sincerely,



Thomas H. Powers, P.E.  
Commissioner