



The Facts About Your Water Bill

FACT SHEET

August 2018

What is going on with my water rates?

CUB receives thousands of complaints about utility companies each year, and some of the most passionate come from water customers. Reports of high bills are symptoms of the dramatic problems facing water systems in Illinois and across the nation.

These are the issues that lead to so much frustration for water customers in Illinois:

- **Public vs. private concerns.** Most communities in Illinois and across the nation have municipal water service, meaning the local government runs the water system. However, in recent years, private companies have acquired hundreds of systems across the country, and that can be bad news for water customers.

A Chicago Tribune investigation in late 2017 found that the prices offered by Illinois American Water and Aqua Illinois—the state’s two biggest private, investor-owned water utilities—were 20 to 70 percent higher than municipal rates for the same Lake Michigan water.

- **Lack of funding for needed improvements.** Federal funding for infrastructure repairs has fallen from a high of nearly \$17 billion in 1976 to \$4.3 billion in 2014, and yet there is an acute need for repairs and upgrades. The Chicago Tribune discovered that some communities lose up to 38 percent of their water because of leaky pipes.

On top of that, the Flint, Michigan water crisis—where insufficient water treatment led to residents being exposed to high levels of lead—has increased concerns about replacing lead pipes.

(Regarding lead: If you are concerned about lead in your drinking water, use a water filter, which you can buy at a local hardware store for \$25 on up.)

Why do water bills get so high?

- **Water loss:** Last year, Chicagoland municipalities lost 25 billion gallons—or about \$9 million worth of water—due to leaky pipes. One community lost 38.7 percent of its water.

- **Upgrades:** It’s expensive to replace deteriorating pipes, pumps, hydrants, and meters. The Chicago Tribune, citing the Illinois Department of Natural Resources, found that a quarter of pipes pumping water from Lake Michigan are more than 60 years old.



- **Other municipalities:** Your bill may get higher the farther you live from Lake Michigan, because municipalities that are closer will charge you for that water. There are communities that receive Lake Michigan water after it passes through several other communities, with each transaction generating a markup.

- **How your water usage is measured:** Do you actually get metered for your water use? Some municipalities may only charge you a flat fee for your water service, which means you don’t get charged for your actual water usage. This can lead to a lot of customers paying more than they should. It also takes away the incentive to be efficient. Why save water if you can’t save money?

Chicago’s MeterSave program offers residents the chance to have a meter installed in their home so they can save water and money. (See our fact sheet on the MeterSave program.)

- **Billing frequency:** Some communities may bill you once every few months, which means larger, albeit fewer, bills.

- **Inefficiency at home:** The Environmental Protection Agency reports that the average family can waste 180 gallons per week, or 9,400 gallons of water annually, from household leaks. That’s enough water to wash more than 300 loads of laundry.

- **For-profit utilities:** Private water utilities are motivated by profit—Illinois American recently secured an excessive profit rate for shareholders of nearly 10 percent in a case before state regulators. Rate hikes also cover the private utilities’ costs when they buy another town’s municipal water system.

What can I do?

There isn't much state legislators can do about municipal water systems, but state laws can protect customers of for-profit water utilities. Several water-related bills were before the General Assembly in the 2018 session.

Contact your state legislators to fight for better state laws for water customers:

- **House Bill 5185** changes current law to specify that shareholders—and not customers—pay for acquisition of water or sewer systems. **CUB supports this bill.**
- **Senate Bill 2515:** Caps annual water utility rate increases at 2.5%. **CUB supports this bill.**

Fight for change at the local level. Frustrated about your water bills? Gather your friends and neighbors in town to take action:

- Raise the issue at a city council or town meeting.
- Start a petition drive in your community.
- Make sure to contact your alderman, and for good measure, call the local office of your state senator and representative to complain.

How can I save money at home?

The average American uses 80-100 gallons a day at home. Families spend more than \$1,000 annually on water bills.

Here are a few simple tips to save water and cut your bills by potentially hundreds of dollars a year:

- Wash larger loads of laundry or dishes. While a smaller load may require less water, after several small loads the amount of water is actually more than what it would be for one large load.
- Water your lawn when it's cooler—early in the morning or at night—to prevent evaporation.
- Invest in a rain barrel to reuse rainwater for your plants. Fixtures like rocks or mulch don't require as much watering but still decorate your yards.
- Turn the water off during daily activities like brushing your teeth or washing the dishes. This could save up to 20 gallons of water per person a week.
- Fix any toilet or faucet leaks. Toilets can waste nearly 50 gallons of water a year, and faucets 2,700 gallons. Water leaks can account for almost 12 percent of your water bill.
- Insulate your pipes so the water takes less time to heat up as it travels to your faucets and shower heads,

enabling you to not run it as long.

- Purchase water-saving products, particularly those with WaterSense labeling. The EPA certifies that these products, like a low-flow showerhead, use 20 percent less water but perform just as well.

How do I get a free assessment?

Several utilities offer energy assessments in which experts will install water- and energy-efficient items, such as faucet aerators, light bulbs and a low-flow showerhead, for free:

Peoples Gas / North Shore Gas: The Home Energy Jumpstart Program allows owners of single-family homes, two-flats and individually-metered condos, apartments and townhomes to reduce their energy and water use with free installation of certain products. Renters are also eligible, with permission from their landlord.

Call 855-849-8928 to sign up. [Visit the Peoples Gas website](#) or the [North Shore Gas website](#) for more details.

Nicor Gas: The energySMART program offers free assessments and incentives for homeowners.

To schedule an assessment call 877-886-4239. For details [visit the website](#).

ComEd: The utility has partnered with natural gas utilities to provide free energy assessments for single-family and multi-family homes.

To schedule an assessment, homeowners can call 1-855-433-2700, and landlords and property managers can call 1-855-433-2700. For details [visit the website](#).