

EJ Water Cooperative, Inc.

HISTORY AND REGIONALIZATION FOR ECONOMIC
DEVELOPMENT AND SUSTAINABILITY

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History of EJ Water

- ▶ Organized in 1989 - NFP 501 (c)(12), member owned, Utility Cooperative organized like Rural Electric Cooperatives.
- ▶ Why did we Start? – During droughts, local village and school didn't have enough water.
- ▶ Started with 300 members, an elevated water tower, and small ground water plant in 1993.



History of EJ Water – Fun Facts

- ▶ Today we serve 10,000 members and wholesale to 15 water systems covering 12 Counties in South Central IL.
- ▶ 3,060 miles of Water main
- ▶ 2,869 square mile Service Area.
- ▶ Two treatment plants - Ground and Surface Water Plants.



EJ Water's Service Area



Gila WTP – 1.5 MGD Built 2015 - Ground Water w/ 11 Wells



Gila WTP

– Inside the Plant...



Delbert Mundt WTP – 3.0 MGD

Built 2010 – Surface Water



Main Office Expanded and Remodeled in 2014



Asset Management & Mobile Work Flow – Esri & GIS



Operating Dashboard



Catch a Glimpse EJ

Active Julies: **28** Completed Today: **5**

Active WO's: **30** Completed Today: **1**
 Construction Jobs: **17** On Hold Construction: **25**

Asset Count

Hydrant Count: **1,952** Valve Count: **3,812**

Member Count

Meter Count: **9,963** Unserviced Count: **1,206**

Line Count

Miles of 3 Inch: **45** Miles of 4 Inch: **1,602**
 Miles of 6 Inch: **706** Miles of 8 Inch: **218**
 Miles of 10 Inch: **68** Miles of 12 Inch: **3**
 Miles of 14 Inch: **6** Total Miles: **2,647**
 Miles of Proposed 4 Inch: **137** Miles of Proposed 6 Inch: **56**
 Miles of Proposed 8 Inch: **11** Miles of Proposed 10 Inch: **0**

Response Times

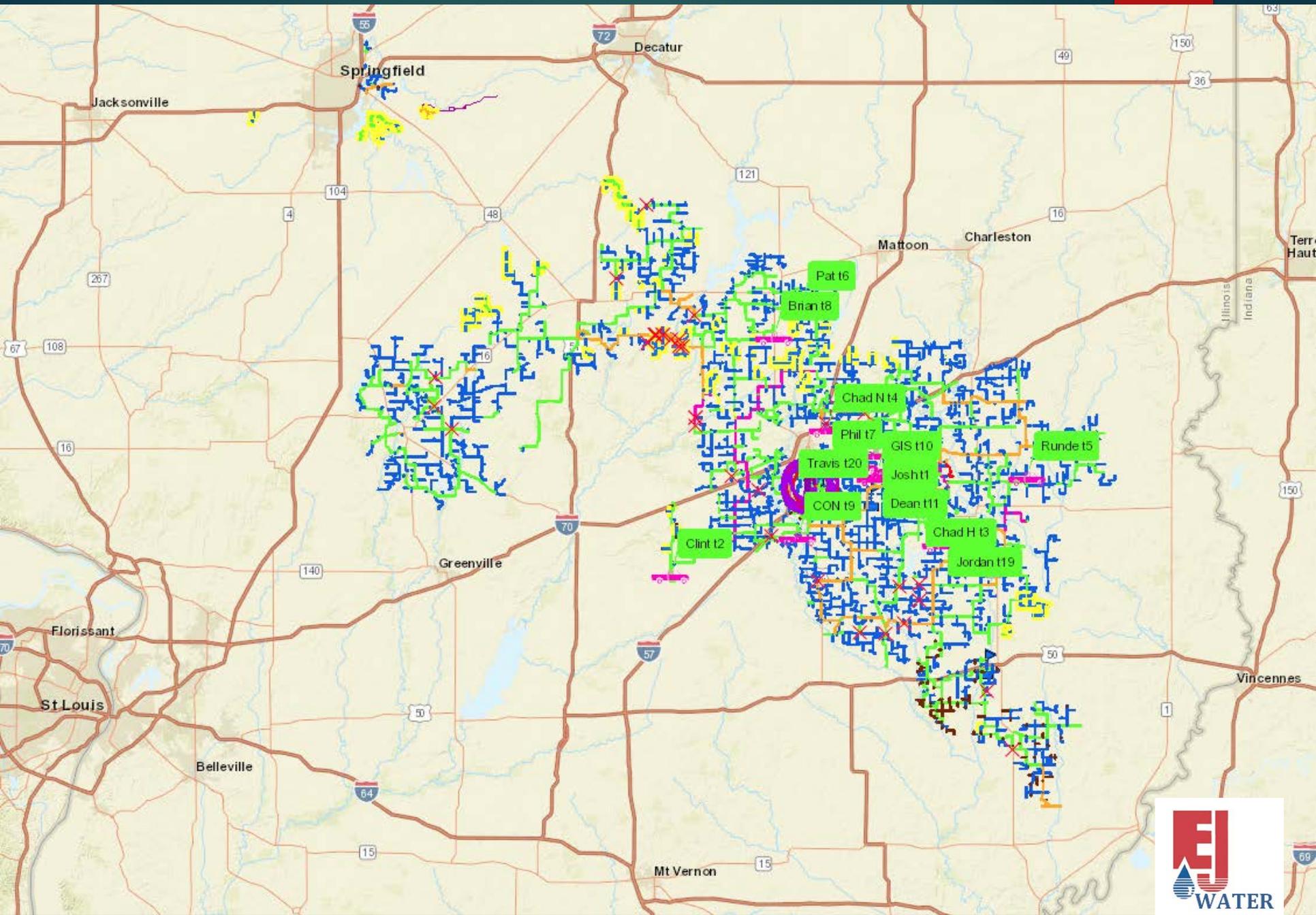
Fastest Response in Min.: **18** Slowest Response in Min.: **600**
 Average Response in Min.: **38** Last mo. Change: **8%**

Easements

Signed: **501** Refused: **21**
 Do Not Need: **60** Unsigned: **329**
 Total: **913** % Signed: **55%**

Office - State of the Art Call Center



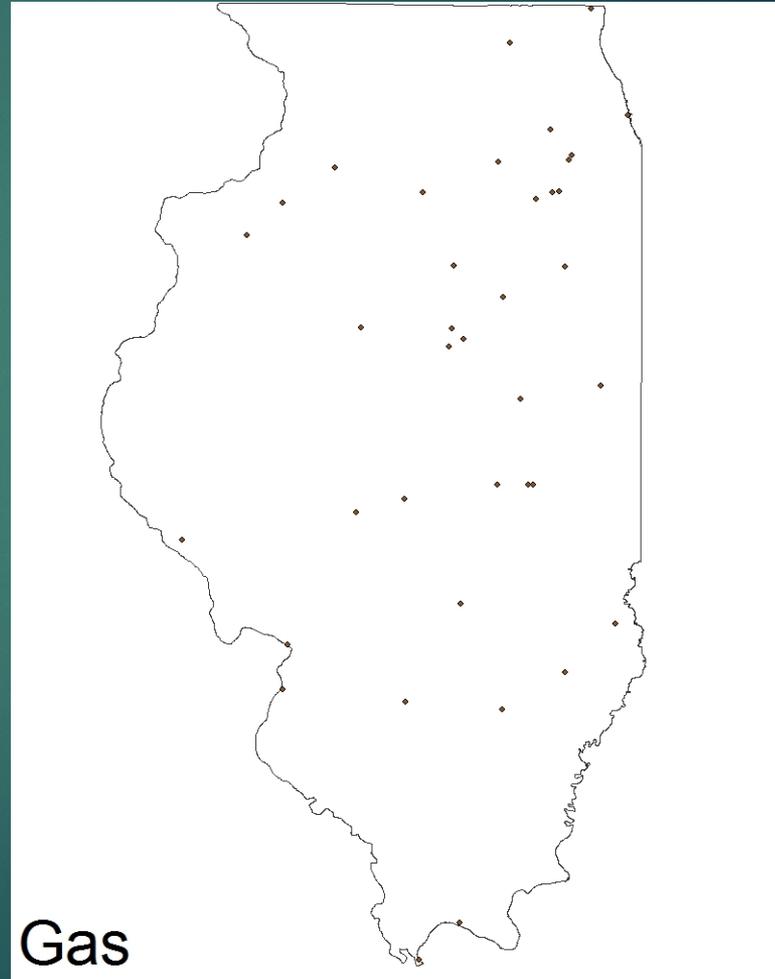
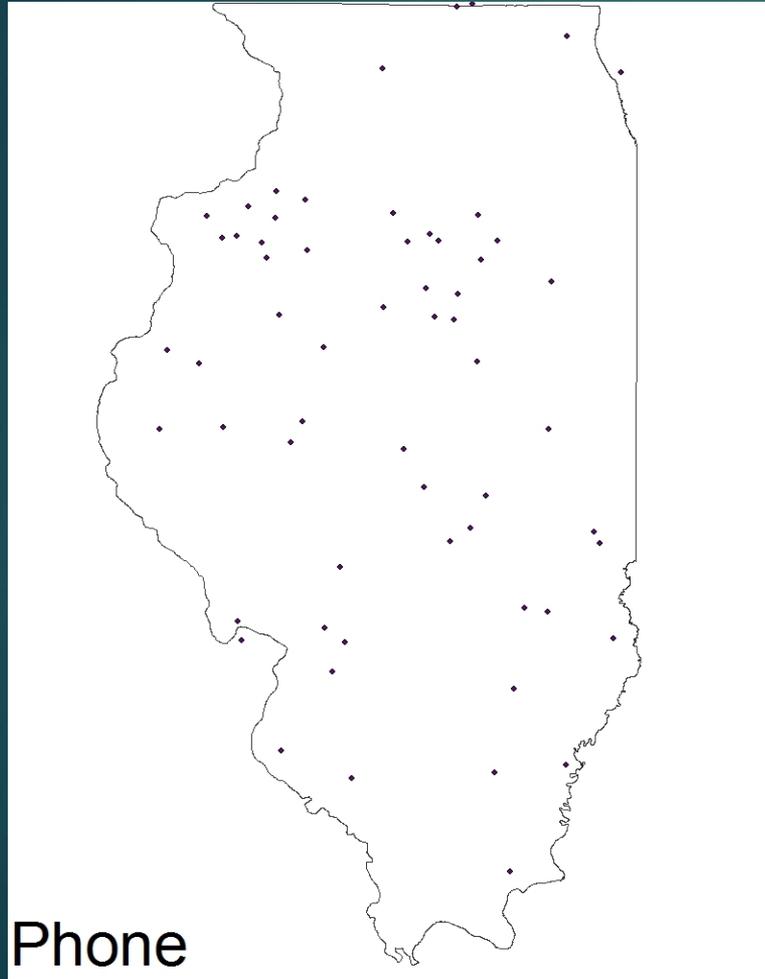


Demographics of Water Sector

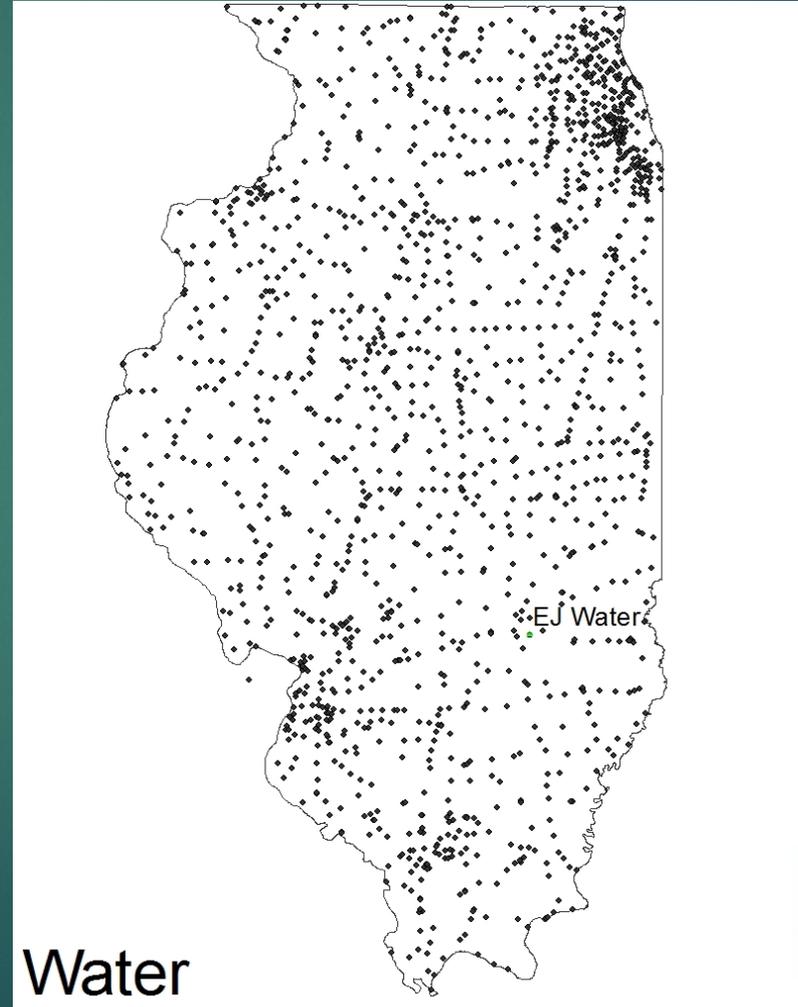
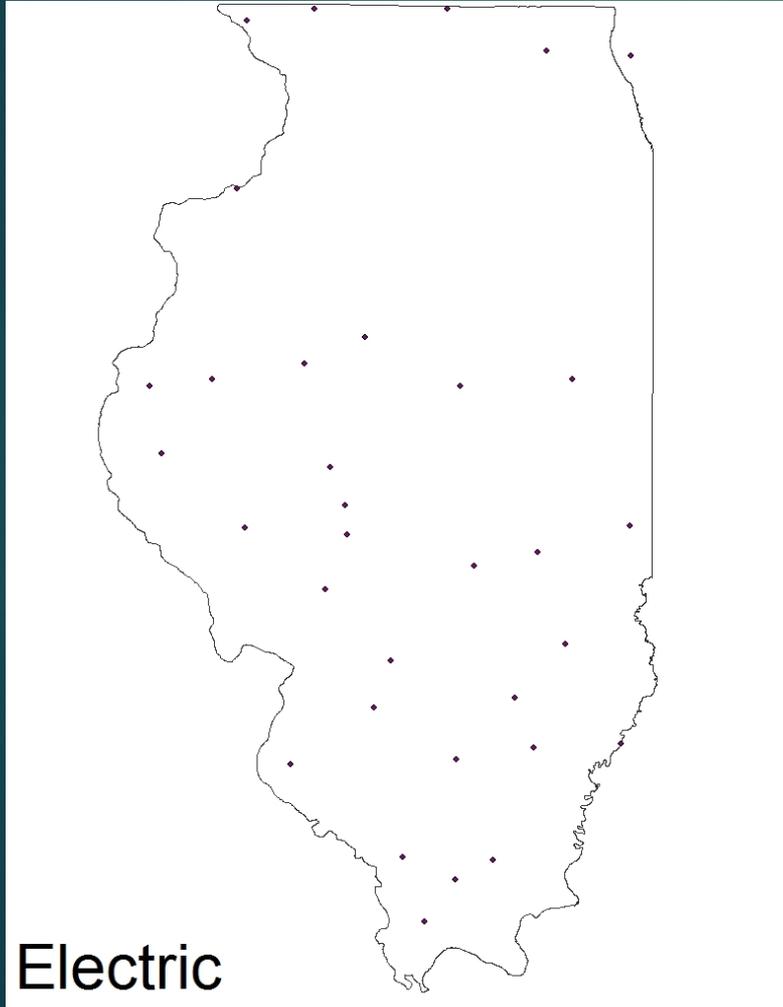
- ▶ The Water Sector - Most Highly Fragmented Utility in the US.
 - ▶ 1,079 Telephone Companies
 - ▶ 2,552 Natural Gas Utilities
 - ▶ 3,300+ Electric Utilities
 - ▶ 53,000+ Public Water Supplies (PWS)
 - ▶ 17,000+ Wastewater Districts (POTW)



Illinois Utility Comparison - Phone Vs. Gas



Illinois Utility Comparison - Electric Vs. Water



The Small Community Paradox

- ▶ Majority of the Water Supplies serve small communities
- ▶ Water Service is financially a low margin high volume business
- ▶ Small towns lack population density thus have limited resources (Technical, Financial, and Managerial)



The Small Community Paradox (Cont.)

- ▶ Cost of infrastructure and compliance per user is significantly greater in Small Towns.
- ▶ Economic Development in Small Towns is critical in retaining next generation businesses and millennials.
- ▶ What happens when State & Federal subsidization continue to dry up?

Long-term Sustainability Analysis

- ▶ Condition Assessment – Get a report card of the condition of your system.
- ▶ Develop a Capital Budget Plan addressing the deficiencies.
- ▶ Develop Strategic Plan - (SWOT Analysis) Strengths, Weakness Opportunities and Threats.



Long-term Sustainability Analysis (Cont.)

- ▶ Candid (Non emotional) discussion about practical and common sense solutions – Do we have the political will to solve these problems?
- ▶ Develop Plan Forward and look at options:
 - ▶ Stay the course (do nothing)
 - ▶ What is the economic impact if we implement the Capital Budget Plan
 - ▶ What are the outsourcing opportunities to save money?

Small Systems - The Issues

Aging
Infrastructure

Declining/Aging
Population

Too Small

Poor Utility Culture
and Leadership

Employee
Leadership
Development

No "Real"
Revenue Budget

Subpar Customer
Satisfaction

No Strategic Plan

No Financial
Reserves

Subpar Community
Sustainability



Why Swim Alone - Partnering Experiences

- ▶ Village of Watson – partnered and built a 250,000 gallon elevated water tower.
- ▶ Village of Dieterich – partnered with 150,000 gallon elevated water tower and shared maintenance and operating costs.
- ▶ Village of St Peter – bartered rural water line to provide Village 2nd water supply interconnect.



Why Swim Alone - Partnering Experiences

- ▶ City of St Elmo – Wishbone Salad Dressing was moved to city and rural water supplier lacked adequate source water; partnered and provided wholesale water.
- ▶ United Regional Water Cooperative – 8 communities and EJ Water regionalizing Water Treatment. Joining together and regionalizing water treatment.



Q & A ...

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