

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: President and Village Board of Trustees

FROM: David A. Hulseberg, Village Manager

DATE: September 7, 2012 (COW)(B of T): September 20, 2012

TITLE: Proposed Changes to the Village Code of Ordinances for Combined Water and Sewer System

SUBMITTED BY: Tim Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

The proposed revision is to remove the requirement for deposits in the Village Code of Ordinances Combined Water and Sewer System sections 50.113 and 50.116.

The attached memo to the Finance Committee provides reasons why collecting these deposits are no longer necessary. The Finance Committee felt this proposal is a friendly business practice for both residents and businesses. In the interest of saving paper, only the proposed changes to section 50.113 and 50.116 of the Village Code of Ordinances for Combined Water and Sewer System is attached (Exhibit A). The complete Village Code of Ordinances is available on the Village's website.

The Finance Committee voted unanimously to recommend that the Village Board remove all language pertaining to deposits in section 50.113 and section 50.116 of the Water and Sewer Ordinance and credit back the deposits for water and sewer services that are currently held by the Village.

FISCAL IMPACT:

N/A

REVIEW (as needed):

Village Attorney XX _____ Date _____
Finance Director XX *[Signature]* _____ Date _____
Village Manager XX _____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 Noon, Wednesday, prior to the Board Agenda distribution.



MEMORANDUM

To: Finance Committee
David A. Hulseberg, Village Manager

From: Timothy Sexton, Director of Finance

Date: September 7, 2012

Subject: Proposed Changes to the Village Code of Ordinances for Water

Part of the process for implementing our new Utility Billing Software is for staff to review existing procedures to look for efficiencies. Based on our review, we would like to make the following changes to the current Village Code of Ordinances for Combined Water and Sewer System.

Security deposits are required for all residential and commercial water and/or sewer accounts of the Village. The fee is \$50 for residential and \$100 for commercial accounts. These deposits are held until the account is closed. The deposit is then applied to the final bill and any remaining deposit balance is refunded back to the customer. We feel it is not necessary to charge a deposit for the following reasons;

- a) The Village has the power to collect water bills by placing a lien on the property.
- b) The deposit is not enough to cover unpaid bills.
 - i) We send approximately 75 accounts to collections each year.
 - ii) State Collection Services has 631 accounts totaling \$127,864.
 - iii) The accounts sent to collections normally owe between \$100 to \$200.

Attachment A is a portion of the current Village Ordinance for Water with the changes that staff recommends. Staff is requesting the Finance Committee's approval of the proposed changes and recommendation to the Village Board of Trustees for their consideration.

ORDINANCE NO. _____

**AN ORDINANCE AMENDING TITLE 5, CHAPTER 50
OF THE LOMBARD VILLAGE CODE IN REGARD
TO ELIMINATING WATER AND SEWER DEPOSITS**

WHEREAS, the Village currently charges a \$50 deposit for residential water accounts and \$100 for commercial accounts; and

WHEREAS, there is no longer a need to collect the deposits due to the Village's ability to collect water bills by placing a lien on the property; and

WHEREAS, eliminating the deposit requirement will provide more efficient and friendly business practices;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: That Title 5, Chapter 50, Section 50.113 of the Lombard Village Code is amended to read in its entirety as follows:

" § 50.113 SEWER ONLY SERVICE. (A) In addition to the rates and charges set forth in this Chapter 50 in regard to wastewater collection and treatment, each sanitary sewer only customer account shall be charged a flat fee of \$4.08 per billing period as an administrative service charge to cover the Village's administrative expenses relating to providing utility service, including, but not limited to, the expenses of billing, collecting and administration.

(B) Where the Village provides only sanitary sewer service to a particular property, the village may record a Notice of Sanitary Sewer Only Service in relation to said property, so as to advise any subsequent owners of the status of the utility services being supplied to said property by the Village.

SECTION 2: That Title 5, Chapter 50, Section 50.116 of the Lombard Village Code is removed in its entirety.

SECTION 3: That this Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as provided by law.

Passed on first reading this _____ day of _____, 2012.

First reading waived by action of the Board of Trustees this _____ day of _____, 2012.

Ordinance _____
Amending Title 5, Chapter 50 Of The Lombard Village Code
In Regard To Eliminating Water And Sewer Deposits
Page 2

Passed on second reading this ____ day of _____, 2012, pursuant to a
roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this ____ day of _____, 2012.

David A. Hulseberg
Village Manager
(Pursuant to the Authority
Granted by the Village Board at the
September 6, 2012 Village Board Meeting)

ATTEST:

Brigitte O'Brien, Village Clerk

Published by me in pamphlet form this ____ day of _____, 2011.

Brigitte O'Brien, Village Clerk

SS = \$0.080/1,000 gallons for each
100 mg/l or part thereof in
excess of 295 mg/l.

('70 Code, § 13.36.100) (Ord. 2497, passed 9-24-81)

§ 50.110 NON-VILLAGE METERED SEWER CHARGES.

(A) For users who have no meters at all, or in relation to which meters are unable or incapable of being read, charges are hereby established as follows:

	Within the	Outside
the		

<u>Class</u>	Village Limits	Village Limits
Residential	\$1.26 per day	\$2.52 per day
Commercial	\$6.94 per day	\$13.88 per day

(B) In the event water meter flow data is available through another public utility company's meter, charges shall be based on water usages as the formula contained in §§ 50.102 through 50.109, subject to the minimum charge for sewer service set forth in Section 50.107. In addition, if there is a cost assessed by said other public utility company for said water meter flow data, said cost shall be added to the sewer charge.

('70 Code, § 13.36.110) (Ord. 2497, passed 9-24-81; Am. Ord. 2612, passed 7-14-83; Am. Ord. 2747, passed 5-23-85; Am. Ord. 2957, passed 5-28-87, Ord. 3446, passed 8/15/91; Ord. 4433, passed 3/5/98; Ord. 4453, passed 5/7/98; ord. 4616, passed 4/8/99; Ord. 4789, passed 4/27/00; Ord. 4960, passed 4/19/01; Ord. 5126, passed 5/2/02; Ord. 5275, passed 4/17/03)

§ 50.111 MEASUREMENT OF STRENGTH.

The owner of any property serviced by a building sewer shall, at the determination of the Director of Public Works, provide laboratory measurements tests and analysis of waters and wastes to illustrate compliance with this chapter and any special conditions for discharge established by the village or regulatory agencies having jurisdiction over the discharge. The number, type, and frequency of laboratory analysis to be performed by the owner shall be as stipulated by the village. The owner shall bear the expense of all measurements, analysis, and reporting required by the village. At such times as deemed necessary, the village reserves the right to take measurements and samples for analysis by an outside laboratory service.

('70 Code, § 13.36.120) (Ord. 2497, passed 9-24-81)

§ 50.112 RECONNECTION CHARGES.

In the event sewer only service has been disconnected, the user must pay the sum of \$50 and actual cost of the village to reconnect the sewerage system during normal business hours, or \$90 after normal business hours. An estimate of cost will be given to the user, and the estimate of costs must be paid prior to any work being undertaken. Any overpayment shall be credited to the user on his account after work has been completed. Any underpayment shall be billed to the user and paid within 30 days of billing.

('70 Code, § 13.36.122) (Ord. 2966, passed 7-9-87)

§ 50.113 SEWER ONLY SERVICE; DEPOSIT REQUIRED.

~~(A) Every residential applicant for sewer only service of the village shall deposit with the Finance Department of the village the sum of \$50, and every nonresidential, commercial, multiple, or industrial~~

~~applicant for sewer service of the village shall deposit with the Finance Department of the village the sum of \$100. The deposit shall be recorded in the account books of the water/sewer division of the village to the credit of the applicant becoming a user of the sewage system in the village. The amount of any delinquent accounts of said applicant shall be deducted from the deposit and the sewage service to the sewer only user shall be ordered discontinued until the sewer only user has paid the delinquent account and deposited enough money with the village again to have a credit of \$50 or \$100.~~

~~(B) In the event a sewer only user with a deposit discontinues service and owes nothing to the village, any deposit shown as a credit to the sewer user shall be returned to the depositor immediately upon request.~~

~~(C) In the event a sewer only user with a deposit discontinues service while owing the village money for sewer service, whatever sum is necessary to pay the bill shall be deducted from the deposit and applied towards the payment of the bill. Any balance of the deposit remaining to the credit of the sewer only user shall be paid to the user upon request.~~

~~(D) No sewer only user shall be entitled to sewer service and the sewer connection shall not be made until the deposit required by this chapter has been made by the sewer only user with the village. It will be the duty of the Finance Department to issue the receipt to the sewer user showing the sum deposited by the sewer user at the time of making application.~~

~~(E) In the event the applicant uses village water and pays a deposit pursuant to § 50.116, this section shall not apply.~~

(F) In addition to the rates and charges set forth in this Chapter 50 in regard to wastewater collection and treatment, each sanitary sewer only customer account shall be charged a flat fee of \$4.08 per billing period as an administrative service charge to cover the Village's administrative expenses relating to providing utility service, including, but not

limited to, the expenses of billing, collecting and administration.

(G) Where the Village provides only sanitary sewer service to a particular property, the village may record a Notice of Sanitary Sewer Only Service in relation to said property, so as to advise any subsequent owners of the status of the utility services being supplied to said property by the Village. ('70 Code, § 13.36.124) (Ord. 2497, passed 9-24-81; Am. Ord. 2966, passed 7/9/87; ord. 5275, passed 4/17/03; Ord. 5332, passed 8-21-03; Ord. 5470, passed 4/1/04; Ord. 5620, passed 4/21/05; Ord. 5842, passed 4/20/06; Ord. 5996, passed 3/1/07; Ord. 6170, passed 4/17/08; Ord. 6327, passed 4/16/09; Ord. 6472, passed 4/15/10; Ord. 6609, passed 4/21/11; Ord. 6676, passed 2/2/12)

§ 50.114 WATER RATES.

(A) There are established rates or charges for the use of services of the waterworks system of the Village as follows:

(1) Water Rates Within the Village Limits:
\$5.78 per 1,000 gallons, with said rate being broken down as follows:

- (a) \$5.16 per 1,000 gallons for operation and maintenance; and
- (b) \$0.62 per 1,000 gallons for capital improvements.

(2) Water Rates Outside the Village Limits:
\$8.67 per 1,000 gallons, with said rate being broken down as follows:

- (a) \$7.74 per 1,000 gallons for operation and maintenance; and
- (b) \$0.93 per 1,000 gallons for capital improvements.

(B) In addition to the rates and charges set forth in Subsection (A) above, each customer account shall be charged a flat fee of \$8.00 per billing period

as an administrative service charge to cover the Village's administrative expenses relating to providing utility service, including, but not limited to, the expenses of billing, collecting, meter reading and meter maintenance.

(C) In addition to the rates and charges set forth in subsections (A) and (B) above, effective June 1, 2011, each non-residential customer account shall be charged a flat fee of \$6.90 per billing period as a cross-connection control program charge to cover the Village's expenses relating to monitoring compliance by non-residential customers with the provisions of Section 51.08 of this Code.

(D) Effective June 1, 2007, the per 1,000 gallon rate for capital improvements, as set forth in Subsections (A)(1)(b) and (A)(2)(b) above, shall be reduced to \$0.62 per 1,000 gallons and \$0.93 per 1,000 gallons, respectively, and shall remain at said rates through May 31, 2016, with the total charge per 1,000 gallons, as set forth in Subsections (A)(1) and (A)(2) above, being adjusted accordingly.

(E) Pursuant to Resolution No. 48-06, adopted February 2, 2006, the Corporate Authorities committed to freezing the capital rate portion of the water sewer rates for village residents at \$1.56 per 1,000 gallons of water used for the period of June 1, 2006 through May 31, 2007, and at \$1.20 per 1,000 gallons of water used for the period of June 1, 2007 through May 31, 2016. For purposes of verifying this freeze, reference is made to Sections 50.106(B) and 50.107 of this Code, which addresses the capital rate per 1,000 gallons of water used for sanitary sewer service.

('70 Code, § 13.36.130) (Ord. 2497, passed 9-24-81; Am. Ord. 2612, passed 7-14-83; Am. Ord. 2747, passed 5-23-85; Am. Ord. 2957, passed 5-28-87; Am. Ord. 3062, passed 5-26-88, Ord. 3446, passed 8/15/91, Ord. 3494, passed 12/19/91; Ord. 3550, passed 5/21/92, Ord. 3695, passed 5/27/93, Ord. 4004, passed 4/6/95, Ord. 4154, passed 4/25/9; Ord. 4294, passed 4/17/97; Ord. 4453, passed 5/7/98; Ord. 4616, passed 4/8/99; Ord. 4960, passed 4/19/01; Ord. 5126, passed 5/2/02; Ord. 5274, passed 4/17/03; Ord. 5469, passed 4/1/04; Ord. 5621, passed 4/21/05; Ord. 5840, passed 4/20/06; Ord. 6026, passed 05/03/07; Ord. 6168, passed 4/17/08; Ord. 6326,

passed 4/16/09; Ord. 6474, passed 4/16/10; Ord. 6611, passed 4/21/11; Ord. 6677, passed 2/2/12)

§ 50.115 WATER SERVICE; RECONNECTION FEES.

The sum of \$50 to reconnect water service (during normal business hours) after it being shut off for delinquent service shall be paid to the village, prior to any reconnection. The sum of \$90 to reconnect water service after normal business hours shall be paid to the village prior to any reconnection. ('70 Code, § 13.36.132) (Ord. 2966, passed 7-9-87)

§ 50.116 WATER SERVICE; DEPOSIT REQUIRED.

~~(A) Every residential applicant for water service of the village shall deposit with the Finance Department of the village the sum of \$50, and every nonresidential, commercial, multiple, or industrial applicant for water service of the village shall deposit with the Finance Department of the village the sum of \$100. The deposit shall be recorded in the account books of the water division of the village to the credit of the applicant becoming a user of water in the village. The amount of any delinquent account of said applicant shall be deducted from the deposit, and all water service to the water user shall be ordered discontinued until the water user has paid the delinquent account and deposited enough money with the village to again have a credit of \$50 or \$100.~~

~~(B) In the event a water user with a deposit discontinues service and owes nothing to the village, any deposit shown as a credit to the water user shall be returned to the depositor immediately upon request.~~

~~(C) In the event a water user with a deposit discontinues service while owing the village money for water service, whatever sum is necessary to pay the bill shall be deducted from the deposit and applied toward the payment of the bill and any balance of the deposit remaining to the credit of the water user shall be paid to him upon request.~~

~~(D) No water user shall be entitled to water service, and the water shall not be turned on, until the deposit required by this chapter has been made by the water user with the village. It shall be the duty of the Finance Department to issue a receipt to the water user showing the sum deposited by the water user at the time of making application.~~

(*70 Code, § 13.36.140) (Ord. 2497, passed 9-24-81; Am. Ord. 2601, passed 5-26-83; Am. Ord. 2612, passed 7-14-83; Am. Ord. 2966, passed 7-9-87; Am. Ord. 3188, passed 9-7-89)

§ 50.117 BILLING PERIOD FOR WATER SERVICE.

Charges for said Water and/or sewerage service shall be made in the time as designated in Section 50.103 for all users. All bills for such services shall be due and payable within twenty-one (21) days of the date of the bill. A penalty of ten percent (10%) of the amount of the bill will be added to all bills not paid on or before the aforementioned due date. In addition, any costs attributable to collection of an unpaid final bill which are charged to the Village by collection agencies to which the Village has turned over bills for collection shall be added to the unpaid total and penalty due.

(*70 Code, § 13.36.150) (Ord. 2497, passed 9-24-81; Am. Ord. 2966, passed 7-9-87, Ord. 3494, passed 12/19/92)

§ 50.118 DELINQUENCY.

All water and sewer bills shall be deemed delinquent if not paid on or before their due date. Notice of the unpaid delinquent balance shall be included on a statement of unpaid charges issued with the next month's bill. If the past due balance remains

unpaid, another notice shall be mailed to the user, and a copy of the notice shall be sent to the taxpayer whose name appears on the tax bill as owner or owners of record for the parcel in question, which shall state as follows:

A. That the bill is delinquent;

B. That if the user would like to dispute or discuss the bill, a hearing is scheduled on the twelfth (12th) day following the date of the mailing of the notices;

C. That if the bill remains unpaid, and if the individual fails to show up at the hearing, or shows up at the hearing and does not successfully dispute the bill or come to a settlement in relation to the bill, water and/or sewer service will be disconnected on the tenth (10th) day following the hearing; and

D. That unpaid water or sewer charges may create a lien against the owner's property.

(*70 Code, § 13.36.160) (Ord. 2497, passed 9-24-81; Am. Ord. 2966, passed 7-9-87, Ord. 3494, passed 12/19/91, Ord. 3662, passed 3/5/93)

§ 50.119 FILING OF LIENS.

Liens as authorized by Illinois Revised Statutes, Chapter 24, Section 11-126-4, (65 ILCS 5/11-126-4 (1992)), may be filed by the Director of Finance immediately after the bill has become delinquent and Notice has been sent to the owner or owners of record of the property as required by Section 50.118 of this Code. Said lien shall be subscribed and sworn to by the Director of Finance or designee stating: the legal description of the property; the amount of the money owed the Village; the date when the monies due became delinquent. A copy of the Notice of Lien shall be sent to the taxpayer whose name appears on the tax bill as the owner or owners of record of the property. Any lien recorded pursuant to this Section may be removed upon payment to the Village of the delinquent amount and any other monies due the