



## MEMORANDUM

To: Finance Committee  
David A. Hulseberg, Village Manager

From: Timothy Sexton, Director of Finance

Date: August 24, 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 change 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.