

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

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

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager *dah*

DATE: November 16, 2012 (COW)(B of T) Date: December 6, 2012

TITLE: Ordinances Amending Title 5, Chapter 50 of the Lombard Village Code in Regard to Water and Sewer Rates.

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

DuPage Water Commission officially passed a rate hike that directly affects local water rates beginning in 2012. The additional revenue will help the Commission to get out of debt within four years and offset the City of Chicago's rate increases. The City of Chicago funnels water from Lake Michigan to many suburbs. The City of Chicago will use the revenue to cover the cost of water and sewer infrastructure upgrades. DuPage Water Commission customers began paying 30 percent more starting in January 2012. In addition, the DuPage Water Commission approved a 20 percent increase for 2013, 18 percent for 2014, and a 17 percent for 2015.

Attached are three ordinances that amend the Village Code as it relates to water and sewer rates for FYE 2013. The upcoming proposed budget includes an increase in water and sewer O&M rates of \$0.99 that would become effective with bills issued on or after January 1, 2013. In addition to the rate increases, the budget as proposed includes an increase to the per bill service charge of \$0.35 for water and sewer customers, and \$0.18 for sanitary sewer service only customers. The budget as proposed also includes an increase to the cross-connection control surcharge of \$0.30 per bill that would become effective with bills issued on or after January 1, 2013. For the average residential customer that uses 8,000 gallons on a bi-monthly basis, this increase will cost them \$8.27 additional on a bi-monthly basis. The overall rate increase is a 8.94% increase, compared to the 12.2% increase that was previously presented to the Board earlier this year. The decrease is due to the additional water sales due to the hot, dry weather during the summer months, resulting in additional revenue. It is currently anticipated that the increase next year will be slightly lower than the proposed FYE 2013 percentage increase. Also, in accordance with Resolution No. 4806 passed by the Village Board of Trustees on February 2, 2006, the capital rate portion of the water and sewer rates remains frozen at \$1.20 per 1,000 gallons of water until May 31, 2016 (FYE 2016). The unincorporated rate remains at 1.5 times the resident rate.

Review (as necessary):

Village Attorney X Date

Finance Director X *Timothy Sexton* Date 11/15/12

Village Manager X *David A. Hulseberg* Date 11/28/12

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