

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

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   Date \_\_\_\_\_

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.



## MEMORANDUM

To: Village President and Board of Trustees

From: Timothy Sexton, Director of Finance

Date: November 2, 2012

Subject: Proposed Water/Sewer Rate Increase

DuPage Water Commission (DWC) officially passed a rate hike that directly affects local water rates beginning in 2012. The additional revenue will help the DWC 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. DWC customers began paying 30 percent more starting in January 2012. In addition, the DWC approved a 20 percent increase for 2013, 18 percent for 2014, and a 17 percent for 2015.

The increase by DWC which became effective on January 1, 2012 was a 30% increase. This additional amount was used to calculate the current increase. DWC has passed future rate increases that will go into effect on January 1 of each respective year. Since the Village is switching to a calendar year fiscal year, we will also propose rate increases effective January 1 of each fiscal year in the future.

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.

ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING TITLE 5, CHAPTER 50, SECTION 50.114 OF THE  
LOMBARD VILLAGE CODE IN REGARD TO WATER RATES**

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

SECTION 1: That, effective January 1, 2013, Title 5, Chapter 50, Section 50.114 of the Lombard Village Code is amended to read in its entirety as follows:

“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: \$6.52 per 1,000 gallons, with said rate being broken down as follows:
    - (a) \$5.90 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: \$9.78 per 1,000 gallons, with said rate being broken down as follows:
    - (a) \$8.85 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 January 1, 2013, each non-residential customer account shall be charged a flat fee of \$7.20 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.”

SECTION 2: That this Ordinance shall be in full force and effect from and after its passage, 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.

Passed on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Peter Breen**  
**Village President**

ATTEST:

\_\_\_\_\_  
**Brigitte O'Brien**  
**Village Clerk**

Published by me in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Brigitte O'Brien, Village Clerk**

**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE AMENDING TITLE 5, CHAPTER 50 OF THE  
LOMBARD VILLAGE CODE IN REGARD TO  
WASTEWATER COLLECTION AND TREATMENT CHARGES**

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

SECTION 1: That, effective January 1, 2013, Title 5, Chapter 50, Section 50.106(B) of the Lombard Village Code is amended to read in its entirety as follows:

“(B) There is hereby established a wastewater collection and treatment charge as follows:

- (1) Within the Village limits: \$5.54 per 1,000 gallons of water metered to, or sewage measured from, each user during the billing period, with said rate broken down as follows:
  - (a) \$4.96 per 1,000 gallons for operation and maintenance; and
  - (b) \$0.58 per 1,000 gallons for capital improvements.
- (2) Outside the Village limits: \$8.31 per 1,000 gallons of water metered to, or sewage measured from, each user during the billing period, with said rate broken down as follows:
  - (a) \$7.44 per 1,000 gallons for operation and maintenance; and
  - (b) \$0.87 per 1,000 gallons for capital improvements.
- (3) Effective June 1, 2007, the per 1,000 gallon rate for capital improvements, as set forth in Subsections (1)(b) and 2(b) above, shall be reduced to \$0.58 per 1,000 gallons and \$0.87 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 (1) and (2) above, being adjusted accordingly.
- (4) Pursuant to Resolution No. 48-06, adopted February 2, 2006, the Corporate Authorities committed to freezing the capital rate portion of the water and sanitary 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 Section 50.114 of this Code, which addresses the capital rate per 1,000 gallons of water used for water service.”

SECTION 2: That, effective January 1, 2013, Title 5, Chapter 50, Section 50.107 of the Lombard Village Code is amended to read in its entirety as follows:

“50.107                    MINIMUM CHARGE FOR SEWER SERVICE.

The minimum charge for 1,000 gallons of usage in one billing period shall be:

- (A)    \$5.54 within the Village limits, with said amount broken down as follows:
  - (1) \$4.96 for operation and maintenance; and
  - (2) \$0.58 for capital improvements.
- (B)    \$8.31 outside the Village limits, with said amount broken down as follows:
  - (1) \$7.44 for operation and maintenance; and
  - (2) \$0.87 for capital improvements.
- (C)    Effective June 1, 2007, the amount for capital improvements, as set forth in Subsections (A)(2) and B(2) above, shall be reduced to \$0.58 and \$1.16, respectively, and shall remain at said amounts through May 31, 2016, with the total charge per 1,000 gallons, as set forth in Subsections (A) and (B) above, being adjusted accordingly.
- (D)    Pursuant to Resolution No. 48-06, adopted February 2, 2006, the Corporate Authorities committed to freezing the capital rate portion of the water and sanitary 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 Section 50.114 of this Code, which addresses the capital rate per 1,000 gallons of water used for water service.”

SECTION 3: That this Ordinance shall be in full force and effect from and after its passage, 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.

Passed on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Peter Breen**  
**Village President**

ATTEST:

\_\_\_\_\_  
**Brigitte O'Brien**  
**Village Clerk**

Published by me in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Brigitte O'Brien, Village Clerk**

ORDINANCE NO. \_\_\_\_\_

**ORDINANCE AMENDING TITLE 5, CHAPTER 50, SECTION 50.113(F)  
OF THE LOMBARD VILLAGE CODE IN REGARD  
TO SANITARY SEWER SERVICE ONLY RATES**

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

SECTION 1: That, effective January 1, 2013, Title 5, Chapter 50, Section 50.113(F) of the Lombard Village Code is amended by revising the reference therein to, "\$4.08," to read, "\$4.26."

SECTION 2: That this Ordinance shall be in full force and effect from and after its passage, 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.

Passed on second reading this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Peter Breen**  
**Village President**



ATTEST:

\_\_\_\_\_  
**Brigitte O'Brien**  
**Village Clerk**

Published by me in pamphlet form this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
**Brigitte O'Brien, Village Clerk**