

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

 X Resolution or Ordinance (Blue) *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: January 11, 2012 (COW)(B of T) Date: January 19, 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 2012. The upcoming proposed budget includes an increase in water and sewer O&M rates of \$1.20 that would become effective with bills issued on or after January 19, 2012. 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 19, 2012. For the average residential customer that uses 8,000 gallons on a bi-monthly basis, this increase will cost them \$9.95 additional on a bi-monthly basis. The overall rate increase is a 12.16% increase. It is currently anticipated that the increase next year will also be the same percentage increase. However, 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 1/11/12
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: January 11, 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.

Over the last five years, the Village had been using the 2007 DWC rebate of \$2.2 million to subsidize the water/sewer rates. The upcoming fiscal year was the final year of using this rebate to subsidize the rates, with only \$125,000 remaining of the original rebate. During last year's budget process, staff informed the Village Board that the anticipated increase in water/sewer rates for the following fiscal year was anticipated to be 6.8%, due mainly to no longer subsidizing the rates with the DWC rebate. The assumption at the time was that DWC rate increases would be just 3% into the future. However, the increase by DWC which became effective on January 1, 2012 was a 30% increase. Therefore, 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 2012. The upcoming proposed budget includes an increase in water and sewer O&M rates of \$1.20 that would become effective with bills issued on or after January 19, 2012. 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 19, 2012. For the average residential customer that uses 8,000 gallons on a bi-monthly basis, this increase will cost them \$9.95 additional on a bi-monthly basis. The overall rate increase is a 12.16% increase. It is currently anticipated that the increase next year will also be the same percentage increase. However, 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 50.113(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 19, 2012, Title 5, Chapter 50, Section 50.113(F) of the Lombard Village Code is amended by revising the reference therein to, "\$3.90," to read, "\$4.08."

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.

William J. Mueller
Village President

Ordinance No. _____
Ordinance Amending Title 5, Chapter 50, Section 50.113(F)
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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 50.114 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 19, 2012, 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: \$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.”

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.

William J. Mueller
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 19, 2012, 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: \$5.29 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) \$4.71 per 1,000 gallons for operation and maintenance; and
 - (b) \$0.58 per 1,000 gallons for capital improvements.
- (2) Outside the Village limits: \$7.94 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) \$7.07 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 19, 2012, 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) \$5.29 within the Village limits, with said amount broken down as follows:
 - (1) \$4.71 for operation and maintenance; and
 - (2) \$0.58 for capital improvements.
- (B) \$7.94 outside the Village limits, with said amount broken down as follows:
 - (1) \$7.07 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.

William J. Mueller
Village President

ATTEST:

Brigitte O'Brien
Village Clerk

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

Brigitte O'Brien, Village Clerk