

 <p>CITY OF ST. CHARLES ILLINOIS • 1834</p>	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 5e
	Title:	Seeking Approval of an Ordinance Amending Title 13, “Public Utilities, Chapter 13.12 “Sewer” of the St. Charles Municipal Code to Allow for Changes in the Rate Structure for the Water Utility	
	Presenter:	Bill Hannah, Director of Finance	
Meeting: Government Operations Committee		Date: February 5, 2024	
Proposed Cost: \$ <i>N/A</i>		Budgeted Amount: N/A	Not Budgeted: <input type="checkbox"/>
TIF District: None			
<p>Executive Summary (if not budgeted, please explain):</p> <p>At the January 22, 2024 Winter Budget Workshop, a presentation was provided on the significant increasing cost of Water and Sewer Fund operations, annual debt service requirements due to new IEPA loans necessary to complete critical capital projects, and other capital project needs requiring funding.</p> <p>As conveyed at the Workshop, although a significant rate increase is needed to address the funding needs in the Water and Sewer Funds, staff recognizes that a significant increase may be difficult for many customers. Instead, staff proposed as one option a series of moderate, 5% water and sewer rate increases over a four-year period effective for bills issued after June 1st of 2024 and each June 1st through 2027. These increases would provide some of the funding needed for operations and annual debt service requirements, and provide some additional funds for capital improvements to the systems. As part of this plan, staff will also look into supplementing, if necessary, the Water and Sewer Funds with other City resources in order to ensure critical capital projects necessary for system capacity and replacement continue moving forward.</p> <p>Approval of multi-year rate increases allows the City to better plan for the funding of operations, debt service, and capital needs for the water and sewer funds.</p> <p>The City is currently working with consultants to complete a facility master plan for the electric, water and sewer utilities. It is anticipated that these studies will be completed in fiscal year 2025. The City then plans to evaluate options and proposals for a comprehensive utility rate study in order to develop rate options and structure for the future.</p> <p>No rate increases are recommended at this time for the electric utility. The last time the City increased electric rates was five (5) years ago in 2019. The financial impact of a 5% water and sewer rate increase on a typical utility bill with electric, water and sewer of \$270 is about \$7 per month, or an increase of about 2.8% overall on the monthly utility bill.</p>			

Attachments (please list):

Ordinance Amending Title 13, "Public Utilities, Chapter 13.12 "Sewer" of the St. Charles Municipal Code to Allow for Changes in the Rate Structure for the Water Utility

Recommendation/Suggested Action (briefly explain):

Seeking Discussion and Approval of an Ordinance Amending Title 13, "Public Utilities, Chapter 13.12 "Sewer" of the St. Charles Municipal Code to Allow for Changes in the Rate Structure for the Water Utility

City of St. Charles, Illinois
Ordinance No. 2024-M-_____

An Ordinance Amending Title 13, “Public Utilities,” Chapter 13.12, “Sewers,” Sections 13.12.830, “Charges for Residential Uses,” and 13.12.840, “User Charges for Metered Water Consumption and Nonresidential Use,” of the St. Charles Municipal Code

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, as follows:

Section 1. That Title 13, “Public Utilities,” Section 13.12.830, “Charges for Residential Users,” and Section 13.12.840, “User Charges for Metered Water Consumption and Nonresidential Use,” are hereby deleted in their entirety and in lieu thereof the following language shall be substituted:

“13.12.830 Charges for Residential Users

A. The residential sewer user charge shall be as follows:

1. The following rates shall be charged monthly for sewer service to all residential users of City sewers, based upon metered water consumption effective for bills issued subsequent to June 1 of the following years, with a maximum sewer charge not to exceed 130% of a residential user’s winter quarter water usage average. The residential user’s “winter quarter” water usage shall be defined as the water that is billed to the user in the months of January, February, and March. When the 130% calculation produces a fractional result, the customer maximum will be raised to the next whole number.

<u>Charge</u>	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Monthly Demand	\$23.01	\$24.16	\$25.37	\$26.64	\$27.97
Usage, per 1,000 gallons of water used	\$7.29	\$7.65	\$8.03	\$8.43	\$8.85

2. Residential users in a building with more than one dwelling unit and with each unit having a sewer connection but no city water meter shall be charged the existing residential sewer demand charge per month. Sewer usage charge shall be billed to the customer billed for the water service and shall be based on the water used at the existing residential sewer rate per one thousand gallons.
3. Residential users in a building with only one dwelling unit with sewer connection but no city water purchases shall be charged for

eight thousand gallons of usage at the existing residential rate per one thousand gallons plus the existing demand charge per month.

4. For new or recently constructed residential buildings or other customers which have a water meter and incomplete history of water consumption during a winter quarter, the existing residential rate per thousand gallons plus the existing demand charge per month shall be applied to their metered water consumption until the completion of a winter quarter.
5. A fee is hereby imposed upon all residential users of City sewers for the purpose of funding various projects required to comply with mandatory standards promulgated by the United States and the Illinois Environmental Protection Agencies. This fee, termed "EPA Mandate Fee," will be set at a flat rate of two dollars and seventy-five cents (\$2.75) per month."

"13.12.840 User Charges for Metered Water Consumption and Nonresidential Use

A. The non-residential sewer user charge shall be as follows:

1. The following rates shall be charged monthly for sewer service to all non-residential users of City sewers based upon metered water consumption effective for bills issued subsequent to June 1 of the following years:

<u>Charge</u>	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Monthly Demand	\$23.01	\$24.16	\$25.37	\$26.64	\$27.97
Usage, per 1,000 gallons of water used	\$7.29	\$7.65	\$8.03	\$8.43	\$8.85

2. The following rates shall be charged monthly for sewer service to all non-residential users of City sewers where water consumption does not reflect the actual quantity of wastewater tributary to the wastewater treatment works effective for bills issued subsequent to June 1 of the following years:

<u>Charge</u>	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Monthly Demand	\$23.01	\$24.16	\$25.37	\$26.64	\$27.97
Usage, per gallons of wastewater actually discharged into the sewer system	\$7.29	\$7.65	\$8.03	\$8.43	\$8.85

3. Non-residential users in a building with more than one non-residential unit and with each unit having a sewer connection but no city water meter shall be charged the existing non-residential sewer demand charge per month. Sewer usage charge shall be billed to the customer billed for the water service and shall be based on the water used at the existing non-residential sewer rate per one thousand gallons.
4. Non-residential users in a building with no water purchases and a sewer connection without flow measurement equipment shall be charged the existing non-residential sewer demand charge per month, plus a user charge equivalent to six thousand gallons of usage at the existing non-residential sewer use rate per one thousand gallons. Non-residential users may be required to install flow measurement equipment pursuant to the conditions set forth in Section 13.12.940B.
5. A fee is hereby imposed upon all non-residential users of City sewers for the purpose of funding various projects required to comply with mandatory standards promulgated by the United States and the Illinois Environmental Protection Agencies. This fee, termed "EPA Mandate Fee", will be set at a flat rate of two dollars and seventy-five cents (\$2.75) per month."

Section 2. That this Ordinance shall be in full force and effect ten (10) days from and after its passage, approval and publication in pamphlet form as provided by law; provided, however, that the rates set forth herein effective for 2024 and thereafter shall be effective for the first billing period subsequent to June 1, 2024.

Section 3. That after the adoption and approval hereof this Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this _____ day of February, 2024.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this _____ day of February, 2024.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois, this ____ day of February, 2024.

Lora Vitek, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Absent: _____