

 <p>CITY OF ST. CHARLES ILLINOIS • 1834</p>	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 5f
	Title:	Seeking Approval of an Ordinance Amending Title 13, “Public Utilities, Chapter 13.16 “Water” 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 13.16 "Water" 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 13.16 "Water" 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 13.16, “Water,”
Section 13.16.190, “Net Charges for Property with Buildings Connected to
System,” 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”, Chapter 13.16, “Water,” Section 13.16.190, “Net Charges for Property with Buildings Connected to System,” of the St. Charles Municipal Code, is hereby deleted in its entirety and in lieu thereof the following language shall be substituted:

“13.16.190 Net Charges for Property with Buildings Connected to System

All property upon which any building has been or may be hereafter erected having a connection with the water system shall pay the following charges:

1. Customer Charge. The following monthly customer charge is for all general service water customers effective for bills issued subsequent to June 1 of the following years:

<u>Meter Size</u>	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
3/4” and under	\$12.97	\$13.62	\$14.30	\$15.02	\$15.77
1”	\$16.72	\$17.56	\$18.44	\$19.36	\$20.33
1-1/4”	\$20.31	\$21.33	\$22.40	\$23.52	\$24.70
1-1/2”	\$23.38	\$24.55	\$25.78	\$27.07	\$28.42
2”	\$31.57	\$33.15	\$34.81	\$36.55	\$38.38
3”	\$50.17	\$52.68	\$55.31	\$58.08	\$60.96
4”	\$76.56	\$80.39	\$84.41	\$88.63	\$93.06
7-1/2”	\$206.38	\$216.70	\$227.54	\$238.92	\$250.87

2. Water Charge. The following monthly water rates apply to all customers effective for bills issued subsequent to June 1 of the following years:

<u>Water Charge</u>	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Base Rate per 1000 gallons	\$5.44	\$5.71	\$6.00	\$6.30	\$6.62
Excess Seasonal Rate per 1000 gallons*	\$9.30	\$9.77	\$10.26	\$10.77	\$11.31

*Excess Seasonal Water Rate applies to water use that is billed to the customer starting in the month of June and the next four succeeding months.

The excess seasonal water rate applies to water used during the above period which is greater than 130 percent of the monthly average of water used during the winter quarter and which is greater than 6,500 gallons per month usage. All other water is billed at the base rate. New customers who have no history of water consumption during the winter quarter will be billed on the basis of actual consumption at the base rate until a winter average is determined.

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: _____