

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL MEETING**  
**NOVEMBER 18, 2014 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
FY15 Budget Implementation Actions	Resolution ✓ Ordinance Motion Discussion Only	David Fieldman, Village Manager

**SYNOPSIS**

Ordinances have been prepared to address the following items related to the implementation of the FY15 Budget, which the Village Council approved on November 11, 2014:

- Increase in Water Rates per the Water Rate Study
- Increase in Stormwater Utility Rates per the Stormwater Study

**STRATEGIC PLAN ALIGNMENT**

The goals for 2011-2018 include *Steward of Fiscal and Environmental Sustainability*.

**FISCAL IMPACT**

The fee updates and increases are consistent with the FY15 Budget approved on November 11, 2014.

**RECOMMENDATION**

Staff recommends approval on the December 2, 2014 Active Agenda.

**BACKGROUND***Water Rates*

Per the approved FY15 budget the water rates will be increased to align with the recommendations of the 2010 Water Rate Study. The water rates also include the increases in the rates charged by the DuPage Water Commission (DWC), which announced a series of rate increases that became effective January 1, 2012. The price increase from the DWC reflects a pass-through of the City of Chicago water rate increases as well as increases for DWC existing debt service payments and planned capital improvements.

The 2010 Water Rate Study included a model projecting the total cost of owning, operating and maintaining the Village water system, assuming 10% annual increases in the cost of water from the DWC. Because the increases implemented by the DWC are substantially greater than the increases assumed in the 2010 model, staff updated the model to account for the increases proposed by the DWC through 2015.

Year	Original Plan	Revised Plan-DWC Increases	Actual Increase
2012	14%	25%	25% ✓
2013	14%	18%	18% ✓
2014	10%	14%	7% ✓
2015	9%	14%	14%

The following table shows the proposed water rates that will go into effect for bills received after March 1, 2015. The bi-monthly fixed charges by water meter size are consistent with the

proposed rates contained in the Water Rate Study. The bi-monthly volume charge reflects the increases proposed in the Water Rate study plus the additional amount needed to cover the DWC rate increase.

<b>Bi-Monthly Fixed Charge by Water Meter Size</b>	<b>2014</b>	<b>2015 Proposed</b>
5/8"	\$11.55	\$12.59
1"	\$17.33	\$18.89
1 1/2"	\$57.77	\$62.97
2"	\$92.42	\$100.74
3"	\$173.31	\$188.91
4"	\$288.84	\$314.84
6"	\$577.67	\$629.66
10"	\$1,386.40	\$1,511.18
<b>Bi-Monthly Unit Fee</b>	<b>2014</b>	<b>2015 Proposed</b>
Inside Village	\$5.23	\$5.96
Outside Village	\$6.00	\$6.84

The pass-through of the increase in the cost of purchasing water from the DWC affects only the unit fee portion of the Village rates, and the fixed fee portion does not change from the original plan. The following table shows how the new water rates will impact typical users in 2015.

<b>User Category</b>	<b>Typical Meter Size</b>	<b>Current Bi-Monthly Bill</b>	<b>Proposed 2015 Bi-monthly Bill</b>
Typical Residential User	5/8"	\$90.00	\$101.99
Typical Commercial User	1.5"	\$580.77	\$658.97
Typical Industrial User	2"	\$1,138.42	\$1,292.74

#### *Stormwater Rates*

Per the approved FY15 budget the stormwater rates will be increased to align with the recommendations of the 2012 Stormwater Study, which created the plan for the implementation of the stormwater utility in 2013. The plan called for a stormwater fee that would cover the cost of future capital projects, debt service related to those projects, as well as operational and maintenance costs.

This study recommended establishing fees to pay for operations, maintenance and capital projects. The fees in the study did not include paying for the annual payments on the 2008 stormwater bond issuance. The study recommended an 11% annual increase in the fee over 15 years to reach the level of maintenance and future capital needs recommended in the Stormwater Master Plan. The Village established fees to fund all aspects of stormwater management including the debt service payments on the 2008 bonds of \$1.1 million per year, fully shifting all stormwater management costs to the utility and away from the property tax levy. When considering these two components, the equivalent recommended fee increase was reduced from the original plan.

The following table shows the recommended percentage increase plus the equivalent recommended increase after considering the debt service payments:

<b>Year</b>	<b>Original Plan</b>	<b>Revised Plan-2008 Debt Service Added</b>
2014	11%	6.40% ✓
2015	11%	8.70%
2016	11%	8.70%
2017	11%	8.70%

The following table shows the proposed stormwater rates that will go into effect for bills received after January 1, 2015.

<b>Monthly Fee</b>	<b>2014</b>	<b>2015 Proposed</b>
Per Equivalent Runoff Unit (ERU)	\$8.94	\$9.72

The following table shows how the new stormwater rates will impact a single family residence, a typical commercial user and a typical industrial user in 2015.

<b>User Category</b>	<b>ERU</b>	<b>Current Annual Fee</b>	<b>Proposed Annual Fee</b>
Single Family Residence (2,501-4,000 s.f. of impervious area)	1	\$107.28	\$116.64
Typical Commercial User	20	\$2,145.60	\$2,332.80
Typical Industrial User	19	\$2,038.32	\$2,216.16

*Future Items*

The 2014 budget amendment will be presented at the end of the first quarter of 2015. It will include amendments to the Risk Fund and Transportation Fund to reflect the transfer from the General Fund as noted in the FY15 Budget Message.

Additionally, the Village Manager will update the Village’s Administrative Regulation for the User Fee, License and Fine Schedule. The update to the fee schedule is a part of the implementation of the approved FY15 Municipal Budget. Per the budget and the LRF recommendations, most of the fees included in the fee schedule will increase by approximately 3% (rounded to the nearest \$1.00).

**ATTACHMENTS**

- Water Rate Ordinance
- Stormwater Rate Ordinance

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

**AN ORDINANCE AMENDING STORMWATER UTILITY FEE RATES**

BE IT ORDAINED by the Village Council of the Village of Downers Grove in DuPage County, Illinois, as follows: (Additions are indicated by **shading**/underline; deletions by ~~strikeout~~):

**Section 1. That Section 25.66. is hereby amended to read as follows:**

**25.66. Stormwater Utility Fee Rates.**

(a) Authority of Village to set rates.

The Village Council shall retain at all times the power and authority to set stormwater utility fee rates. The Village shall review the adequacy of the stormwater utility fee rate annually in conjunction with the budget process. The rate shall be revised periodically to reflect any change in local capital costs, operation, or maintenance, plus replacement costs.

(b) Rates.

(1) Effective January 1, ~~2014~~**2015** the stormwater utility fee rate per Equivalent Runoff Unit (ERU) per month shall be ~~\$8.94~~**\$9.72**.

(2) Single Family Residential. Each parcel within the single family residential classification shall be assessed the following stormwater utility fee based on a four tier structure which is tied to the amount of impervious area located on each parcel.

	<b>Parcel Description</b>	<b>Number of ERUs per parcel</b>
Tier 1	parcels with 1 to 2,500 square feet of impervious area	0.75 ERU
Tier 2	parcels with 2,501 to 4,000 square feet of impervious area	1.0 ERU
Tier 3	parcels with 4,001 to 7,000 square feet of impervious area	1.5 ERUs
Tier 4	parcels with more than 7,000 square feet of impervious area	The actual number of ERUs rounded to the next whole ERU multiplied by the rate per ERU as set forth in Section b(1) above.

(3) Non-Single Family Residential. All non-single family residential parcels in the Village shall be assessed a stormwater utility fee based on the measured number of ERUs on the parcel multiplied by the rate per ERU as set forth in Section b(1) above. All fractional ERUs will be rounded up to the next whole ERU.

(4) Vacant Parcels. The Village shall assess vacant parcels a stormwater utility fee that is equivalent to 0.3 ERU.

(5) Exemptions. The following property shall be exempt from paying the stormwater utility fee:

(a) Parcels that have been granted a property tax exemption in accordance with the provisions of Article 15 of the Illinois Property Tax Code (35ILCS 200/15 et seq.).

(b) Public rights-of-way.

**Section 2.** That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are

SWU-Fees

hereby repealed.

**Section 3.** That this ordinance shall be in full force and effect from and after its passage and publication in the manner provided by law.

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Mayor

Passed:

Published:

Attest: \_\_\_\_\_

Village Clerk