

ORDINANCE NO. CO-2019-21

**AN ORDINANCE AMENDING
SECTION 51.02 (RATES FOR WATER AND SEWERAGE SERVICE)
OF CHAPTER 51 (WATER AND SEWER SERVICE)
OF TITLE V (PUBLIC WORKS) OF
THE MAYWOOD VILLAGE CODE RELATIVE TO
WATER SERVICE RATE FOR 2019**

(NO WATER RATE INCREASE)

WHEREAS, the Village of Maywood (the "Village") is a home rule municipality, having all of the powers and authority granted to such municipalities pursuant to Article VII, Section 6 of the Illinois Constitution of 1970, including the right to exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Village purchases and receives Lake Michigan water from the City of Chicago (the "City") through an intergovernmental water distribution system that has been improved from time to time using public funds generated by bond transactions approved by an intergovernmental cooperative of municipalities and other public bodies. As part of the ongoing operation and maintenance of this intergovernmental water distribution system, the Village makes periodic payments to the City for the purchase of water and to the Village of Melrose Park to pay for water distribution charges and bond debt that are specific to the Village of Maywood's water distribution system operations and bond debt obligations; and

WHEREAS, within its corporate boundaries, the Village operates and maintains a water distribution system for the purpose of supplying potable water to its residents, businesses and property owners ("customers"). The Village's water distribution system operates as an enterprise fund, which means it uses the revenues collected from the water rate fee to operate and maintain the water distribution system and does not use general fund monies from the corporate property tax levy for such purposes. Pursuant to Section 51.02 (Rates for Water and Sewerage Service) of the Maywood Village Code, the Village charges a fee to all customers for the use of potable water that is distributed through the Village's water distribution system. In addition, a portion of the water rate fee is to be allocated to a reserve fund within the enterprise fund for use in replacing old or broken water distribution system infrastructure. As the cost of purchasing Lake Michigan water from the City increases, the Village is obligated to increase the water rate fee it charges to its customers in order to operate the water distribution system under a balanced budget and to make contributions to the reserve fund; and

WHEREAS, from 1999 to 2007, the City increased the water rate fee that it charges the Village to purchase Lake Michigan water by nearly 20% and the Village did not make any adjustment to its water rate fee that it charges its customers over the same period of time; and

WHEREAS, with the passage of the City's 2008 budget, a water rate increase of 45% was enacted and implemented over three (3) consecutive years in annual 15% increments effective on January 1, 2008, January 1, 2009 and January 1, 2010. On December 18, 2007, the Village Board approved an ordinance that enacted a 15% water rate increase to help defray a portion of the increased water costs charged by the City. In August 4, 2009, the Village Board approved an ordinance that

enacted a 15% water rate increase in 2009 and in 2010 to help defray a portion of the increased water costs charged by the City; and

WHEREAS, with the passage of the City's 2012 budget, the City imposed the following water rate increases on the Village: a 25% water rate increase effective on January 1, 2012; a 15% water rate increase effective on January 1, 2013; a 15% water rate increase effective on January 1, 2014; and a 15% water rate increase effective on January 1, 2015. Per its Water Rate Ordinance, the City will increase its annual water rates automatically, beginning on June 1, 2016 and every year thereafter, by adjusting the rates upwards, if applicable, by applying to the previous year's rates the rate of inflation, calculated based on the *Consumer Price Index – Urban Wage Earners and Clerical Workers (Chicago All Items)* ("CPI") published by the United States Bureau of Labor Statistics for the 365-day period ending on the most recent January 1, with any such increase capped at 105% of the previous year's rate. In 2016, the City did not adjust its water rates based on the CPI factor. In 2017, the City notified the Village that it would be increasing its water rate by 1.83%, effective June 1, 2017. In 2018, the City notified the Village that it would be increasing its water rate by 1.54%, effective June 1, 2018. On March 1, 2019, the City notified the Village that it will be increasing its water rate by 0.82%, effective June 1, 2019; and

WHEREAS, as a consequence of the additional annual water rate increases imposed by the City of Chicago on the price of Lake Michigan water, the President and Board of Trustees of the Village of Maywood have determined that it is a prudent financial necessity to increase its water rates to its customers to account for the City of Chicago's water rate increases, and that such actions are in the best interests of the Village, its water distribution system and its residents, businesses and property owners and require the amendment of the water rate fees set forth in the Maywood Village Code as noted in Section 2 below of this Ordinance (the "Code Amendments"). However, in regard to the 2019 City of Chicago water rate increase, the President and Board of Trustees have decided to not increase the Village's water rate to match the City of Chicago's 2019 water rate increase (0.82%) based on completed and proposed water system improvements and efficiencies and the reduction in the cost of waste collection and disposal, but reserve the right to increase the water rate in the future if the anticipated savings are not realized; and

WHEREAS, pursuant to the authority granted under the Illinois Compiled Statutes (5 ILCS 5/11-124-1 *et seq.*), and in accordance with the home rule authority granted to home rule municipalities as defined by Article VII, § 6 of the Illinois Constitution of 1970, the President and Board of Trustees of the Village of Maywood approve the Code Amendments as set forth below.

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MAYWOOD, COOK COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1: Each whereas paragraph set forth above is incorporated by reference into this Section 1.

SECTION 2: Subsection 51.02(A) of Section 51.02 (Rates for Water and Sewerage Service), Chapter 51 (Water and Sewer Service), Title V (Public Works) of the Maywood Village Code, as amended, shall be further amended to read in its entirety as follows:

"§ 51.02 RATES FOR WATER AND SEWERAGE SERVICE.

(A) For the purpose of defraying the expense of the operation of the Department of Public Works and Water Department and for the purpose of paying the outstanding combined water works and sewerage bonds and interest thereon, the following rates are established. The following rates shall be charged to the users of the combined water works and sewerage system within the corporate limits of the Village:

- (1) **Effective on January 1, 2013**, the rate charged shall be **\$9.782** per 100 cubic feet of water for all water used and the minimum charge shall be **\$29.35** per month.
- (2) **Effective on September 1, 2013**, the rate charged shall be **\$9.132** per 100 cubic feet of water for all water used and the minimum charge shall be **\$27.40** per month.
- (3) **Effective on January 1, 2014**, the rate charged shall be **\$9.452** per 100 cubic feet of water for all water used and the minimum charge shall be **\$28.36** per month.
- (4) **Effective on January 1, 2015**, the rate charged shall be **\$10.870** per 100 cubic feet of water for all water used and the minimum charge shall be **\$32.61** per month.
- (5) **Effective on January 1, 2016 and All Other Future Adjustments to Water Rates Based on Chicago Water Rate Increases.** For any future water rate increases that are imposed on the Village by the City of Chicago, the Village shall automatically raise the water rate charge and the minimum charge per month in an amount at least equal to the increase imposed by the City of Chicago and the Village's water rate and charge increases shall become effective on the same date that the City's water rate increase takes effect. **However, the Village, by action of the corporate authorities, reserves the right to charge a lesser increase or a greater increase regardless of the adjustment in the water rate fee imposed by the City of Chicago under any future annual or periodic water rate adjustments.**
- (6) **Effective on January 1, 2016**, the rate charged shall be \$10.870 per 100 cubic feet of water for all water used and the minimum charge shall be \$32.61 per month
- (7) **Effective on June 1, 2017**, the rate charged shall be \$10.870 per 100 cubic feet of water for all water used and the minimum charge shall be \$32.61 per month.
- (8) **Effective on June 1, 2018**, the rate charged shall be \$10.870 per 100 cubic feet of water for all water used and the minimum charge shall be \$32.61 per month.
- (9) **Effective on June 1, 2019**, the rate charged shall be \$10.870 per 100 cubic feet of water for all water used and the minimum charge shall be \$32.61 per month.

SECTION 3: All tables of contents, indexes, and internal references or cross-references to sections that need to be amended or deleted as a consequence of the above Code Amendments shall be amended by the Village's codifier so as to be consistent with the terms of this Ordinance.

SECTION 4: All ordinances, or parts of ordinances, in conflict with the provisions of this Ordinance, to the extent of such conflict, are repealed.

SECTION 5: Each section, paragraph, clause and provision of this Ordinance is separable, and if any provision is held unconstitutional or invalid for any reason, such decision shall not affect the remainder of this Ordinance, nor any part thereof, other than that part affected by such decision.

SECTION 6: Except as to the Code amendments set forth above in this Ordinance, all Chapters and Sections of the Maywood Village Code, as amended, shall remain in full force and effect.

SECTION 7: This Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as provided by law.

ADOPTED this 21 day of May, 2019, pursuant to a roll call vote as follows:

AYES: Mayor Perkins, Trustees H. Yarbrough, I. Brandon, A. Sanchez, K. Wellington and
M. Lightford

NAYS: None

ABSENT: Trustee R. Rivers

APPROVED by me this 22 day of May, 2019, and attested to by the Village Clerk this same day.

Edwenna Perkins, Village President

ATTEST:

Viola Mims, Village Clerk

Published by me in pamphlet form this 22 day of May, 2019.

Viola Mims, Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CLERK'S CERTIFICATE

I, Viola Mims, Clerk of the Village of Maywood, in the County of Cook and State of Illinois, certify that the attached document is a true and correct copy of that certain Ordinance now on file in my Office, entitled:

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which Ordinance was passed by the Board of Trustees of the Village of Maywood at a Regular Village Board Meeting on the 21 day of May, 2019 at which meeting a quorum was present, and approved by the President of the Village of Maywood on the 22 day of May, 2019.

I further certify that the vote on the question of the passage of said Ordinance by the Board of Trustees of the Village of Maywood was taken by Ayes and Nays and recorded in the minutes of the Board of Trustees of the Village of Maywood, and that the result of said vote was as follows, to-wit:

AYES: Mayor Perkins, Trustees H. Yarbrough, I. Brandon, A. Sanchez, K. Wellington and M.

Lightford

NAYS: None

ABSENT: Trustee R. Rivers

I do further certify that the original Ordinance, of which the foregoing is a true copy, is entrusted to my care for safekeeping, and that I am the lawful keeper of the same. The attached Ordinance has been published by me in pamphlet form on the date set forth in the Ordinance, or on such other date shown in the Village records, or no later than on the date set forth below.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Village of Maywood, this 22 day of May, 2019.

Viola Mims, Village Clerk

[SEAL]