



Regular Village Board meetings are held at 7:30 p.m., the first and third Mondays of each month in Council Chambers of Village Hall, 123 Madison St. When a regular meeting falls on a holiday, the meeting typically is held the following night. The Village Board also meets in special sessions, usually on the second and fourth Monday. However, dates and times of special meetings can vary and may change.

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File #: ORD 23-100 **Name:**
Type: Ordinance **Status:** First Reading
In control: President and Board of Trustees
On agenda: 11/6/2023 **Final action:**
Title: First Reading of An Ordinance Amending Chapter 26 ("Water"), Article 2 ("Charges and Collections") of the Oak Park Village Code Regarding the Rates for Water and Sewer Services
Attachments: 1. [Water Rates Ordinance](#)

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Submitted By

Robert Sproule, Public Works Director

Reviewed By

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Agenda Item Title

First Reading of An Ordinance Amending Chapter 26 ("Water"), Article 2 ("Charges and Collections") of the Oak Park Village Code Regarding the Rates for Water and Sewer Services

Overview

This is the first reading of an Ordinance which proposes to change the fee charged for Water and Sewer services for 2024. Staff proposes to adjust the 2024 Water & Sewer rate according to the estimated Consumer Price Index. The rate is estimated at four (4) percent.

Recommendation

This is a First Reading only.

Background

In 2019, Baxter & Woodman provided a Water & Sewer Rate Study which provided a five-year view of the projected Water & Sewer Enterprise Fund through 2024. The projection included the current position of fund balance, at the time, as well as the proposed revenues and expenditures, including the Capital Improvement Program. Rates were based on the volume of water used (metered) per 1,000 gallons plus a fixed monthly charge for the size of the water meter the customer has on their premises. The results of the Study and proposed fees were reviewed at a Finance Committee meeting on October 24, 2019. Three options were provided. Staff recommended and on November 18, 2019, the Village Board approved Option 3 which provided the most stable operating reserve balance (ORD 19-120). Option 3 included fixed rate increases and volumetric increases of 3%/3%/2%/1%/1% over the five-year period from 2020 through 2024.

It was noted that if expenditures change from those estimated, the Village Board could re-visit the rate structure for future years. The 2019 Water & Rate Study expenditures were based on an estimated annual two-and-a-half percent (2.5%) increase in City of Chicago water rates over the next five years. Unfortunately, the City of Chicago increased its rates by five percent (5%) for the last two years and is estimated to increase the rate by at least four percent (4%) for 2024.

American Water Works Association recommends an operating reserve of twenty-five percent (25%) of the annual operating expenses. For the Village of Oak Park that roughly equates to an operating reserve balance goal of two to three million dollars (\$2-3M). With the current rate increase of one percent (1%), the Village will fall well below this recommendation.

Staff recommend a rate increase of four percent (4%) for 2024 to maintain a sufficient fund balance for our Water & Sewer fund.

Fiscal Impact

Fees collected for these services fund the Water & Sewer Fund.

DEI Impact

N/A.

Alternatives

The Board can delay action to gain additional information.

Previous Board Action

Fees for Water & Sewer rates were last increased by one percent (1%) on January 1, 2023, which were approved by the Village Board in November of 2019 ORD 19-120.

Citizen Advisory Commission Action

N/A.

Anticipated Future Actions/Commitments

The Village Board may review the rates annually.

Intergovernmental Cooperation Opportunities

The Village is the only Public Water Supplier for Water and Sewer within the Village Corporate limits.