



Protecting Lake Michigan & Our Waterways.

North Shore Water Reclamation District

AN ORDINANCE

ESTABLISHING A

USER CHARGE SYSTEM

MARCH 1, 2018

NORTH SHORE WATER RECLAMATION DISTRICT USER CHARGE ORDINANCE

Whereas, operation, maintenance, and replacement costs are incurred by the Water Reclamation District for collection, conveyance, treatment, and disposal reuse of wastewaters from various classifications of users connected to the District system or to sewers connected therewith, and

Whereas, the District implemented a User Charge System pursuant to the conditions of a grant authorized under Federal Water Pollution Control Act, and more clearly elaborated in the preambles of “An Ordinance Establishing A User Charge System”, adopted on December 13, 1982 and amended from time to time, which recitals are hereby incorporated herein by this reference, and

Whereas, the District continues to fund the operation, maintenance, replacements and expansions according to the general principals established in the recitals of the “An Ordinance Establishing A User Charge System”, adopted on December 13, 1982 which principals have been codified in the body of the user charge ordinance, and

Whereas, each year the District performs a review and analysis of the funds expended by the District for operation, maintenance, and replacement for the previous year, for the District to determine if the established user charges are appropriate for the subsequent fiscal year or if the established user charges should be amended to meet the anticipated costs of such operation, maintenance, and replacement and shall include all expenditures to be incurred in:

- a. the Wastewater Treatment Fund, not including expenditures for capital improvements; and
- b. any other fund or funds established for operating purposes including but not limited to a Sewage Chlorination Fund, Illinois Municipal Retirement Fund, and Audit Fund, and

Whereas, the user charges require periodic review and revision to reflect actual operation, maintenance, and replacement costs, and the proportional distribution thereof,

NOW, THEREFORE, BE IT ORDAINED by the Board of Trustees of the North Shore Water Reclamation District of Lake County, Illinois as follows:

Chapter 1 GENERAL PROVISIONS

1.01 Authority

This ordinance is promulgated pursuant to the statutory authority contained in Chapter 70 of the Illinois Compiled Statutes, and further pursuant to the requirements of the Federal Water Pollution Control Act as amended along with any applicable regulations promulgated thereto.

1.02 General Purpose

The purpose of this Ordinance is to establish a User Charge System to pay for the operation, maintenance, and replacement of the sewage transport and treatment works of the District. This shall include provisions, among others, to establish principles of application, classes of users, procedures, bases for the determination of rates, manners of revenue collection, and assessment of penalties in the event of non-payment.

1.03 Relation to Other Ordinances

This Ordinance supplements an Ordinance Relating to Sewers and Sewer Systems and shall be applied in addition to an Ordinance Establishing the Fees and Charges of the North Shore Water Reclamation District.

1.04 Federal Regulations

It is hereby declared to be the policy of the District to adhere to the requirements of the Federal Water Pollution Control Act as amended along with any applicable regulations promulgated thereto.

1.05 Establishment of System

From and after the 1983 Tax Levy Year, the District discontinued levying a significant portion of the ad valorem tax historically allocated toward the operation, maintenance, and replacement of the works of the system, and in lieu thereof has assessed to all users in accordance with the provisions of this Ordinance, a user charge. The funds received under the provisions of this Ordinance shall be totally exempt from liability or from any charge or claim in the same manner as are ad valorem tax receipts received by the District. In the event that the Board of Trustees elects to submit a combined billing for the charges established hereunder, and the charges established under any other ordinances of the District, the charges collected under such other ordinances shall be deemed to be and shall, for all purposes, be treated separately.

1.06 Adoption of Staff Assumptions and Analyses

The Board of Trustees, having duly considered the actions and analyses of the staff of the District in the preparation of this Ordinance, hereby adopts such assumptions and analyses contained herein as a basis for the establishment of a procedure for the assessment and collection of a user charge pursuant to the Federal Regulations.

1.07 Transition to a User Charge System

Commencing no later than the 1987 Tax Levy Year, the Board of Trustees will discontinue the statutory procedure under the North Shore Water Reclamation District Act for appropriation, and levy where applicable, of that portion of the ad valorem tax for the operation, maintenance, and replacement of the works of the system, excepting that the costs attributable to the operation, maintenance, and replacement due to inflow and infiltration and the acquisition of capital additions shall continue to be recovered through the ad valorem tax.

The Board shall continue under the applicable Illinois statutes to follow the appropriation and levy procedures for the revenues necessary for the retirement of general obligation bonds, public benefit funds, and for any other purpose provided by law. Similarly, other fees such as connection and annexation charges shall continue to be assessed in the manner provided for in the Ordinances of the District.

Chapter 2 DEFINITIONS

2.01 General Definitions

The following general definitions shall apply for this Ordinance:

- a. *District* -- Shall mean the North Shore Water Reclamation District, a municipal corporation organized under Section 2305/et.al. of Chapter 70 of the Illinois Compiled Statutes.
- b. *User* -- Any person, firm, establishment, or institution which discharges wastewater, excluding inflow and infiltration, to a sanitary sewer which eventually leads into a District-owned sanitary sewer or water reclamation facility or any waste hauler as defined in Section 2.06q. "Customer and Discharger" is used interchangeably with "User".
- c. *Wastewater* -- Shall mean the spent water of a community. It thus may be a combination of the liquid and water-carried wastes from residences, commercial buildings, industrial plants, and institutions both governmental and private, together with any inflow and infiltration. "Sewage" is used interchangeably with "Wastewater".
- d. *Domestic Wastewater* -- shall mean wastewater discharged at a strength that is at the standard value for the residential user category.
- e. *Works of the System* -- Shall include sewers, force mains, pumping stations, sewage treatment plants (n.k.a. 'water reclamation facilities'), outfall sewers, pumping, power, and other equipment and appurtenances of such facilities, and any other works, including land, which is a part of the treatment process, ultimate disposal or reuse of the residues, or administrative support systems necessary for the effective prevention, abatement, reduction, storing, treating, separating, or disposing of municipal or industrial waste. This term is synonymous with "Wastewater Facilities" and "Wastewater Treatment Works".
- f. *Building Sewer Lines* -- shall mean the sewer which transports the wastewater from a discharger's facility to the public sanitary sewer system.
- g. *Milligrams per liter* -- Shall mean a unit of the concentration of water or wastewater constituent. It is 0.001 g of the constituent in 1,000 ml of water.
- h. *Shall and May* -- shall is required; may is permissive.
- i. *Approved* -- shall mean the item or procedure must meet the conditions of and be accepted by the District.
- j. *Required* -- shall mean that the task stated must be done.

2.02 Ordinance Definitions

The following definitions of the District's other ordinances shall apply for the purpose of this Ordinance:

- a. *An Ordinance Relating to Sewers and Sewer Systems* -- Shall mean the Ordinance passed and as amended from time to time by the District that regulates the use and construction of the works of the system and may be referred to generally as "Sewer and Sewer Systems Code."
- b. *Ordinance Establishing the Fees and Charges of the North Shore Water Reclamation District* -- Shall mean the Ordinance passed and as amended from time to time by the District setting forth rates for all the various ordinances of the District.

2.03 Cost Definitions

The following cost definitions shall apply for this Ordinance:

- a. *Operation* -- Shall mean all manner of activity necessary including labor, electrical power, fuel, chemical, supply, and administrative requirements to properly conduct the functions of collection, conveyance, treatment, and disposal or reuse of wastewaters.
- b. *Maintenance* -- Shall mean all manner of activity necessary including labor, supply, contract repair work, and administrative requirements to maintain the works, assets, and property of the District for the purpose of ensuring its continued and uninterrupted operation.
- c. *Replacement* -- Shall mean the provision for and the installation of replacement equipment, accessories or appurtenances which are necessary during the service life of the treatment works to maintain the capacity and performance for which such works were designed and constructed.
- d. *Useful or Service Life* -- Shall mean the period of time that a particular component of the works of the system can reasonably be expected to perform the function intended in its design before replacement or extensive rehabilitation is required.
- e. *Depreciation* -- Shall mean the amortization of the original cost of personal property and real property over the anticipated useful life. Personal property shall mean items of moveable furniture, fixtures, and equipment. Real property refers to the building and appurtenances thereto including all items that become an integral part thereof. Real property also includes all items which remain at one location for their useful life.
- f. *Engineering Construction Cost Index* -- Shall mean an index of the relative increase or decrease in construction costs as published in the "Engineering News Record". This index is used to help approximate the replacement costs of the District's assets.

2.04 Sampling and Measurement Definitions

The following definitions relating to sampling and measuring the wastewater shall apply for this Ordinance:

- a. *Water Purveyor* -- Shall mean any city, village, or water company which sells water.
- b. *Public Water Meter* -- Shall mean the water meter installed within the water piping system of any building by a city, village, sanitary district, or any other public entity. It also includes all meters owned by a private water company which is regulated by the Illinois Commerce Commission.
- c. *Private Water Meter* -- Shall mean an existing water meter or a meter required to be installed by this Ordinance on any privately owned water supply.
- d. *Water Meter Readings* -- Shall mean the periodic water meter readings provided by a water purveyor or by the District by reading the private water meter.
- e. *Flat Rate Estimates* -- Shall mean the water estimated to be used by a structure not equipped with a water meter. Such estimate shall be based upon the District's analysis of other users within that user's category.
- f. *Flow Meter* -- Shall mean a fluid measuring device approved by the District capable of being installed in a sampling manhole and capable of registering continuous flow rates over a prescribed period.
- g. *Credit Meter* -- Shall mean a flow meter which measures water not returned to the sanitary sewer system. These flows would then be subtracted from the incoming water usage. Also means any method or procedure approved by the District that would have the same effect of measuring non-returning water as would be achieved by installing such a meter.
- h. *Sampling Manhole* -- Shall mean a structure installed in the building sewer line accessible to District personnel and being capable of housing a flow meter and a composite 24-hour sampler. The construction of such a manhole shall be approved by the District.
- i. *Composite Sampler* -- Shall mean a sampling device approved by the District capable of being installed in a sampling manhole and capable of taking flow or time proportioned wastewater samples over a prescribed continuous period.

2.05 Parameter Definitions

The following parameter definitions shall apply for this Ordinance:

- a. *Flow* -- Shall mean the total amount of wastewater entering the District's water reclamation facilities, expressed in millions of gallons.

- b. *BOD (denoting biochemical oxygen demand)* -- Shall mean that amount of oxygen expressed in milligrams per liter, utilized in five days at 20 degrees C. for biochemical oxidation of the organic matter present in wastewater and measured by the method set forth in the most recent edition of "Standard Methods for the Examination of Water and Wastewater" or such other method as approved by the United States Environmental Protection Agency. BOD refers to total BOD and not carbonaceous BOD.
- c. *Suspended Solids* -- Shall mean non-filterable solids expressed in milligrams per liter, contained in wastewater and measured by the method set forth in the most recent edition of "Standard Methods for the Examination of Water and Wastewater" or such other method as approved by the United States Environmental Protection Agency. Suspended Solids refers to Total Suspended Solids.
- d. *Lateral Sewer Maintenance* -- Shall mean the lateral sanitary sewers that the District maintains for some of the users of the District.
- e. *Infiltration* -- Shall mean water other than wastewater that enters a sewerage system from the ground through such means as defective pipes, pipe joints, connections, or manholes.
- f. *Inflow* -- Shall mean water other than wastewater that enters a sewerage system from sources such as roof leaders, drains, manhole covers, cross connections between storm and sanitary sewers, catch basins, cooling towers, storm waters, surface runoff, street wash waters, or drainage.
- g. *COD (denoting chemical oxygen demand)* -- Shall mean the amount of oxygen required in milligrams per liter for the oxidation of organic matter to carbon dioxide and water while under acidic conditions utilizing a strong oxidizing agent, and measured by the method set forth in the most recent edition of "Standard Methods for the Examination of Water and Wastewater" or such other method as approved by the United States Environmental Protection Agency.

2.06 User Category Definitions

All users of the system shall be divided into the following categories according to the definition that best fits a particular user:

- a. *R01-Residential* -- Shall mean any single-family or multiple-family dwelling unit (having three or fewer individual units) designed primarily as a place of human habitation which discharges to the District's system domestic wastewater only.
- b. *R02-Metered Credit Residential* -- Shall mean any single-family or multiple-family dwelling unit (having three or fewer individual units) designed primarily as a place of human habitation which discharges to the District's system domestic wastewater only. This dwelling unit also has a credit meter to determine the amount of incoming water that does not return to the sanitary sewer system. Summer credit provisions are inapplicable.

- c. *R03-Sewer Only Residential* -- Shall mean any single-family or multiple-family dwelling unit (having three or fewer individual units) designed primarily as a place of human habitation which discharges to the District's system domestic wastewater only. This dwelling unit has no meter, so the District shall bill based on an amount of water determined as being representative for the R01 category. Summer credit provisions are inapplicable.
- d. *R04-Large Residential* -- Shall mean any multiple-family dwelling unit (having four or more individual units) designed primarily as a place of human habitation which discharges to the District's system domestic wastewater only. Summer credit provisions are inapplicable.
- e. *G01-Governmental* -- Shall mean any unit of federal, state, county, or municipal government which has been given the authority to control or rule over the affairs of the above-mentioned units and which discharges to the District's system primarily domestic wastewater. Any unit of government not primarily discharging domestic wastewater shall be assigned to the user category which best fits that unit of government.
- f. *S01-Institutional I* -- Shall mean any organization having a social, educational, or religious purpose and operated on a non-profit basis and discharging to the District's system primarily domestic wastewater.
- g. *S02-Institutional II* -- Shall mean any organization having a social, educational, or religious purpose which discharges to the District's system wastes greater in strength than domestic wastewater.
- h. *C01-Commercial* -- Shall mean any business establishment dealing with the commerce or trade of a product or skill or the buying and selling of goods or services on a large scale without manufacturing and which discharges to the District's system domestic wastewater only
- i. *C02-Food Store* -- Shall mean any establishment primarily engaged in the sale of foods or food and household products.
- j. *C03-Bakery* -- Shall mean any establishment engaged in the production and/or selling of bread, pastries, cookies, crackers, candies, soft drinks, or any other bakery or confectionery goods.
- k. *C04-Auto Service* -- Shall mean any establishment solely engaged in the repair or servicing of transportation equipment, or engaged solely in the sale of repair parts for transportation equipment, or both.
- l. *C05-Auto Dealer* -- Shall mean any establishment engaged primarily in the sale of transportation equipment, either new or used, whether or not service and repair facilities may also be located on the premise.
- m. *C06-Transportation* -- Shall mean any establishment engaged in the transportation of passengers, freight, etc. or the rental or leasing of equipment which may be used for the above purposes.

- n. *C07-Dry Cleaning Establishment* -- Shall mean any establishment primarily engaged in the dry cleaning of personal clothing or household items, or dry cleaning of items either worn or used within an industry as a service to that industry.
- o. *C08-Utility* -- Shall mean any organization which supplies water, electricity, natural gas, etc. to the public and which is operated by a private corporation or by a governmental agency.
- p. *C09-Restaurant* -- Shall mean any establishment where food can be bought and eaten on the premises, whether served or not, or where food which is prepared on the premises can be purchased for consumption at another location.
- q. *C10-Tavern & Bar* -- Shall mean any establishment where alcoholic beverages are sold or are prepared and served on the premises for consumption excepting such places whose primary purpose is to serve as a restaurant.
- r. *C11-Recreation* -- Shall mean any establishment engaged in the sale of services primarily for the refreshment of body or mind, a form of play, or amusement.
- s. *C12-Car Wash* -- Shall mean any establishment whose main service is that of exterior cleaning of any vehicle which may be used for the transportation of passengers, freight, etc.
- t. *C13-Waste Hauler* -- Shall mean any firm which has a permit according to the provisions of Chapter 7 of an Ordinance Relating to Sewers and Sewer Systems.
- u. *C14 – Strip Mall* -- Shall mean any commercial establishment that is subdivided to two or more tenants engaged in separate and distinct commercial pursuits. Each tenant typically has its own, exclusive entrance from a shared parking area.
- v. *C15-Laundry Establishment* -- Shall mean any establishment primarily engaged in the laundering of personal clothing or household items, or engaged in the laundering of items worn or used within an industry as a service to that industry.
- w. *I01-Industrial I* -- Shall mean any establishment engaged in wholesale commercial sales or distribution, dry warehousing, or industrial wet warehousing and which is located in a building which could easily be converted into a manufacturing facility and which discharges to the District's system domestic wastewater only.
- x. *I02-Industrial II* -- Shall mean any establishment primarily engaged in the manufacturing of goods or engaged in manufacturing service goods which discharges to the District's system primarily domestic wastewater.
- y. *I03-Industrial III* -- Shall mean any establishment primarily engaged in the manufacturing of goods or engaged in manufacturing service goods which discharges to the District's system non-domestic wastewater and which normally has a flow less than 25,000 gallons per day.

- z. *I04-Industrial IV* -- Shall mean any establishment primarily engaged in the manufacturing of goods or engaged in manufacturing service goods which discharges to the District's system non-domestic wastewater and which normally has a flow more than 25,000 gallons per day.
- aa. *I05-Industrial V* -- Shall mean any establishment primarily engaged in the manufacturing of goods or engaged in manufacturing service goods which discharges to the District's system non-domestic wastewater and which normally has a flow more than 50,000 gallons per day or which is subject to a National Categorical Pretreatment Standard.
- bb. *M01-Doctors' Offices and Clinics* -- Establishments of licensed and degreed health practitioners engaged in the practice of general or specialized medicine, surgery or mental health. Includes analytic, diagnostic and X-ray medical laboratories.
- cc. *M02-Hospitals/Acute Care Facilities/Medical Centers* -- Establishments primarily engaged in providing diagnostic and medical treatment including surgical services, and has on-site medical staff, equipment and facilities to provide complete health care.
- dd. *M03-Long Term Care Facilities* -- Establishments engaged in providing inpatient nursing, mental or physical health related care or rehabilitative services.
- ee. *M04-Dentists' Offices and Clinics* -- Establishments of licensed and degreed health practitioners engaged in the practice of general or specialized dentistry, including dental surgery. Includes analytic, diagnostic and X-ray dental laboratories.
- ff. *M05-Veterinary Offices and Clinics* -- Establishments of licensed practitioners engaged in the practice of veterinary medicine, dentistry or surgery for pets and other animal specialties, including animal hospitals.

The above user categories shall be further grouped into general classes based upon the first letter designating each such user category. The general classes shall be residential (R), governmental (G), institutional (S), industrial (I), commercial (C) and medical (M).

2.07 Summer Credit Definitions

The following summer credit definitions shall apply for this ordinance:

- a. *Summer* -- shall mean the period of May 1st through September 30th, inclusive.
- b. *Winter* -- shall mean the period of October 1st through April 30th, inclusive.
- c. *Days of Service* -- shall mean the number of days for which a user is being invoiced, calculated by subtracting from the last day of service rendered either the last day of service for the prior invoice, or if there is no prior invoice, then the starting date for that user plus one day.
- d. *Proration* -- shall mean the apportionment of a user's water usage between the summer and winter based on the percentage of the days of service falling within the two seasons.
- e. *Current Summer Day* -- shall mean the water usage of a user on an average day for the current summer invoice, calculated by taking the summer water usage, after proration, divided by the days of service falling within the summer.
- f. *Actual Winter Days* -- shall mean the number of days for which service was rendered for the prior winter, excluding any days represented by estimated meter readings not followed by an actual reading no later than the first reading in the current summer.
- g. *Typical Winter Day* -- shall mean the water usage of a user on an average day for the prior winter, calculated by taking the winter water usage, after proration, divided by the number of Actual Winter Days. Users with less than 107 Actual Winter Days will have their Typical Winter Day set to the Typical Winter Day of the average District R01-Residential user if the user became a customer after the beginning of the prior winter or set to the Current Summer Day if the user was a customer at the beginning of the prior winter. The Typical Winter Day will be calculated upon receipt of the first meter reading in the current summer.

Chapter 3

USAGE DATA AND CUSTOMER MONITORING

3.01 Non-Residential Waste Control

Under the provisions of this Ordinance and the applicable provisions contained within an Ordinance Relating to Sewers and Sewer Systems, the District shall administer the following aspects of the user charge system in connection with non-residential users:

- a. meter flows of the above users when deemed necessary;
- b. measure strengths of the above users;
- c. verify BOD and suspended solids data furnished by the users to the District;
- d. verify the credit data furnished by any user which has been granted an exemption for water not returned to the sanitary sewer system;
- e. report the billable flows and strengths of the above users;
- f. classify all users of the system into various user categories; and
- g. determine standard BOD and suspended solids concentrations by user category;

3.02 Installation of Water Meters on Private Supplies

All non-residential users, not having a water meter in their source of water supply shall install, at their own expense, a water meter approved by the District between the well or other source of supply and the plumbing system of such building. The District may waive this requirement and instead base the usage upon an estimate derived from a physical inspection and analysis of the user's premises.

3.03 Water Usage Data

The District will use, as an estimate of the water volume for a user for a given time period, the volume of water as reported to the District by that user's water purveyor. For those users without a meter, the District shall use an amount of water previously determined as being representative for that user or user category. Those users assigned to User Category C13-Waste Hauler shall have their usage determined by multiplying the number of loads discharged during the billing period times the capacity of the vehicle, and if a user has more than one vehicle, then by summing the results so calculated for each vehicle.

All users designated R01-Residential shall receive a credit for any excess usage within the summer. The amount of the credit shall be computed using the following formula:

((Current Summer Day - Typical Winter Day) X Days of Service falling within the Summer X Combined Flow Rate for the R01-Residential User Category) or zero, whichever is greater.

3.04 Strength Data

The District may use, as an estimate of the strength of a user's wastewater, concentrations for both BOD and suspended solids that have been determined as indicative and typical for that user's category. Such values shall be known as standard values and shall be reviewed and adjusted by the District periodically.

Those users, for which standard values are not indicative and typical of a particular user's wastewater, will be sampled in a manner and frequency deemed necessary by the District, in order to determine the user's average BOD and suspended solids concentrations. Likewise, any user who believes that the strength of user's wastewater is below the values assigned for user's category, may install, at the user's own expense, such facilities necessary to determine the strength of the wastewater. The District shall then sample the user in a manner and frequency deemed necessary, in order to determine the average BOD and suspended solids concentrations. In either case, the user may split samples with the District. However, all invoices shall be based only on data approved by the District.

All costs incurred by the District in sampling and testing such users shall be recovered by invoicing such users in accordance with the Ordinance Establishing the Fees and Charges of the North Shore Water Reclamation District.

3.05 Installation of Sampling Manholes and Equipment

Each non-residential user, where required by the District and after being provided with a minimum of 180 days of notice by the District, shall install a sampling manhole and may also be required to install a flow meter and/or composite sampler on each building sewer line so designated. Such manhole and equipment shall be maintained at the user's expense according to the terms and conditions set forth in an Ordinance Relating to Sewers and Sewer Systems.

3.06 Inspections and Meter Readings on Private Property

Authorized District personnel shall have the right to enter upon private property to take water meter readings and to take flow meter readings and composite samples from meters and samplers installed therein. They shall also have the right to conduct an inspection of a property in order to determine whether the user is exempt from the system and to validate compliance with the conditions as set forth in this Ordinance.

In the event of a refusal to permit District personnel upon private property, the authorized person shall seek the assistance of the local police department or the sheriff's office of Lake County, and shall make the inspection accompanied by such officer or by seeking an order from a court of competent jurisdiction granting entry or by any other means provided by law. Failure to permit such readings shall constitute grounds for termination of service.

Chapter 4

DETERMINATION OF RATES

4.01 Determination of Annual Costs

Not less than annually, the Board of Trustees shall determine the projected costs of operation, maintenance, and replacement of the works of the system. The replacement costs shall be determined by computing the straight-line depreciation of those fixed assets with estimated useful lives of less than twenty years, in accordance with the procedures established by the District for said system, and multiplying that value by not more than 75 percent. In no case may the balance of such account exceed 25 percent of the replacement value, as determined by the Engineering Construction Cost Index, of those assets so depreciated.

4.02 Allocation of Costs to Cost Parameters

The annual costs shall be apportioned among the following six parameters using such percentages as were derived from the previous fiscal year:

- a. Flow, excluding Infiltration and Inflow
- b. BOD
- c. Suspended Solids
- d. Lateral Sewer Maintenance
- e. Infiltration and Inflow
- f. Capital Additions

Then, in order to determine the costs that must be recovered through the user charge system, all other sources of revenue such as interest on investments, laboratory fees, and fees for special services, must first be applied against the above costs. The other sources of revenue shall first be applied against the costs attributable to 4.02e and 4.02f. Any revenues remaining shall then be prorated against the costs of 4.02a to 4.02c inclusive. Such costs remaining shall then be the costs of 4.02a to 4.02d inclusive which will be used in the determination of rates as set forth in Section 4.04.

4.03 Determination of System Usage

There shall be submitted to the Board of Trustees, at the same time that the annual estimate of projected costs is determined, the individual components and summary totals of the following parameters from data recorded during the previous fiscal year excepting that for the first year a more limited amount of data may be used to extrapolate the use for an entire year:

- a. the component quantities and totals of yearly water use obtained from public water meter readings, private water meter readings, waste flow meter readings, and flat rate estimates;
- b. the yearly total quantities of BOD as calculated from the base of historical data on the users of the system;
- c. the yearly total quantities of suspended solids as calculated from the base of historical data on the users of the system;

- d. the total number of users for which the District provides the service of maintaining lateral sewers.

4.04 Determination of Unit Rates

The unit rates to be used by the District shall then be determined as follows:

- a. the Flow rate shall be computed by dividing the costs in Section 4.02a by the total flow in Section 4.03a. The resulting number shall be expressed in all the various units of measure as are used by the various water purveyors;
- b. the BOD rate shall be computed by dividing the costs in Section 4.02b by the total annual quantity of BOD in Section 4.03b. The resulting number shall be expressed in pounds;
- c. the Suspended Solids rate shall be computed by dividing the costs in Section 4.02c by the total annual quantity of suspended solids in Section 4.03c. The resulting number shall be expressed in pounds; and
- d. the Lateral Sewer Maintenance rate shall be computed by dividing the costs in Section 4.02d by the total number of users in Section 4.03d and then dividing that result by twelve months. The resulting number shall be expressed in cost per month.

Water Data Fee rates shall also be developed by water purveyor. Such rates shall be equal to the cost per record which the District must pay to acquire such data. Water Data Fee Credit rates shall also be developed by water purveyor. Such rates shall be equal to the lower of the water data fee rate or the amount which the District deems to be the fair and going rate that is being charged for the water data based on whether the data is supplied manually or automatically via a computer report or tape. Such fees and fee credits shall be levied on the first invoice issued to a user each calendar year for the prior year and on all final bills. These fees shall be prorated for those users who were customers for less than a full year.

4.05 Determination of Combined Rates

For ease of administering the system, the District shall develop a Combined rate for each user category which incorporates the Flow rate, BOD rate, and the Suspended Solids rate. This shall be done by converting the total loadings into a flow equivalent rate based upon each user category's standard BOD and suspended solids concentrations. The formula is as follows:

$$\text{Combined Rate} = \text{Flow Rate} + ((1000 \times 8.34 \times \text{BOD} / 1000000) \times \text{BOD rate}) + ((1000 \times 8.34 \times \text{TSS} / 1000000) \times \text{TSS rate})$$

where: BOD = standard BOD concentration for that user category
TSS = standard TSS concentration for that user category

Any user who is not individually sampled and billed using individual rates will be billed using the Combined rate. In no case may the actual fees charged a user on an invoice be materially different by using the Combined rate as opposed to using the determined individual rates, after considering potential rounding errors.

4.06 Reference to the Rates

All such individual and combined rates shall be listed in the Ordinance Establishing the Fees and Charges of the North Shore Water Reclamation District.

4.07 Notification of Rates

Each user will be notified, at least annually, in conjunction with a regular bill, of their applicable user charge rate.

4.08 Incompatible Pollutants

Any user discharging incompatible pollutants, fats, oils or grease, BOD, or Solids to the District's facilities which cause the District to alter its method of wastewater treatment or biosolids reuse or disposal to a more costly method shall be assessed the differential cost between such more costly method of treatment and the method of treatment which would provide the lesser cost to the District. Such costs shall only be assessed upon approval by the Board of Trustees.

Chapter 5

HANDLING OF CUSTOMER ACCOUNTS

5.01 Issuance of Invoices

Users may be invoiced at the same frequency that they are invoiced for water bills, or at a lesser frequency. Those customers who are served by a well or other private water supply shall be invoiced quarterly. Users shall be invoiced based on the rate schedule in effect when the invoice is issued by the District. No invoice will be issued for less than the minimum as set forth in an Ordinance Establishing the Fees and Charges of the North Shore Water Reclamation District. Instead, any usage that would have been billed will be carried forward to the next invoice.

5.02 Payment of Invoices

Customers may pay at the District's office during normal business hours, by mail, by automatic bill pay, by Illinois E-Pay or at an authorized collection agent. Payment in any other manner shall be deemed to have been paid by mail. The date that a payment is made shall be the date that the payment was either received at the office of the District or received at an authorized collection agent. Payments shall be applied against the oldest outstanding invoice(s) or charge(s).

5.03 Accounts Past Due

Each invoice shall become due 30 days after its issuance. An invoice not paid by the due date and which has an outstanding balance of at least the minimum as set forth in an Ordinance Establishing the Fees and Charges of the North Shore Water Reclamation District shall have a late fee assessed. Such late fee shall be as set forth in the Ordinance Establishing the Fees and Charges of the North Shore Water Reclamation District.

5.04 Exemption from the System

Any user may petition for exemption from the system by completing a form established for this purpose. Exemptions shall be granted for the following reasons:

- a. user is not connected to a sanitary sewer;
- b. user is connected to a sanitary sewer but the sanitary sewer does not eventually lead into a District-owned sanitary sewer or water reclamation facility;
- c. all facilities (plants, pumping stations, biosolids recycling facility, etc.) owned by the North Shore Water Reclamation District; or

- d. a partial exemption will be granted for water not returned to the sanitary sewer system. The user must install a credit meter or a meter on the sanitary line or have a method of procedure to determine such amounts which has been approved by the District. Such values shall be reported to the District in order to have the values deducted from the user's incoming water readings.

5.05 Change of Billed Party Agreement

The property owner(s) and the served property shall be responsible for all charges. It shall be the obligation of the property owner to provide the District with the name, address and such other information that may be required by the District for billing. The District recognizes that many property owners neglect or fail to notify the District of changes in ownership and, in such cases, the District must rely upon information provided by the water supplier for the served property. Depending upon the policies and practices of the water supplier, such the person being billed for water services may or may not be the owner of the property. The Board of Trustees hereby authorizes the billing of the property owners, instead of billing the same persons that currently receive the water bills, whenever it becomes technically practicable for the Staff to do so. In doing so, the Board recognizes that in some instances, this could pose an undue hardship or inconvenience on the owners of the properties. Thus, at such time that the District does convert to billing the owners of the properties it shall establish such rules and forms to enable an owner to petition that his tenant, lessee, or contract purchaser receive such bills from the District. Such form shall clearly state that if the tenant, lessee, or contract purchaser does not pay such bills, that the owner is still liable for the same.

5.06 Procedures for Dispute of an Invoice

A user may dispute an invoice and withhold payment for the same. Any such contention must be stated in writing. All amounts not disputed must be paid in the normal time and manner. While the matter is in dispute, no late fees, finance charges, or penalties will accrue and no action will be taken to collect the amounts in dispute. If it is decided that the District erred, no such penalties will have to be paid on the amounts in error. Furthermore, the user will be given the normal time to pay which is accorded undisputed amounts. If it is decided that there was no error, the user will be given 30 days from the date of the decision to pay amounts due prior to penalty assessment, collection action or termination of service.

All such disputes will first be referred to the staff of the user charge department of the District for analysis and a decision. If the staff member of the user charge department that handles the account cannot resolve the dispute with the user the matter shall be referred to the supervisor of the user charge department. If the user is not satisfied with that decision, the matter will then be referred to the Executive Director.

5.07 Reserved

5.08 Failure to Receive an Invoice

Failure of any user to receive an invoice for wastewater treatment user charges shall not be grounds for nonpayment or reason to extend or defer the date upon which payment is due or to avoid the

inclusion of penalties. The ultimate responsibility for the payment of said user charges rests entirely with the user of the system.

The District shall have the right to retroactively invoice users in those cases in which the user was assigned to the wrong user category, was provided an invoice based on imprecise billing criteria, was not issued an invoice, or other circumstances that resulted in billing inaccuracies. Retroactive billing adjustments shall be limited to two (2) years except for instances of illegal connection, theft or fraud, under which circumstances the District reserves the right to pursue restitution to the maximum extent allowed by law.

5.09 Falsifying Information

Any user who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be filed pursuant to this Ordinance, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method under this Ordinance, shall upon conviction be punished by the imposition of a civil penalty of not less than \$100 nor more than \$1,000 or by imprisonment for not more than six (6) months. A separate violation shall be deemed to have occurred on every day in which a violation occurs or continues. The District shall have the right to pursue full restitution dating back to the day that such violations began.

5.10 Collection Agencies

In addition to any other method of collection as herein provided or as provided by law, the District may turn delinquent users over to collection agencies. Any user being turned over to such an agency for collection shall first be sent a notice of the District's intent to do so.

The District may impose a collection agent turnover fee on any customer so turned over to such an agency. If so, the notice must state to the customer the amount of any such fee. Such fee shall be as set forth in the Ordinance Establishing the Fees and Charges of the North Shore Water Reclamation District.

5.11 Filing of Liens and Civil Suits

All user charges levied under the provisions herein shall become a lien upon the lands. In addition to any other method of collection as herein provided or as provided by law, the District shall also have the power to sue the owner of the real estate involved in a civil action to recover any money due plus court costs and a reasonable attorney's fee to be fixed by the Court.

The District shall establish a fee to recover the costs of both filing and releasing a lien. The user shall be liable for such costs unless it is subsequently determined that no lien should have been placed on the property. All such actions to file and release a lien shall be done in accordance with applicable law. No action to file any lien will commence until an invoice is at least 60 days past due.

The District shall have the power to foreclose such lien in like manner and with like effect as in the foreclosure of a mortgage on real estate. Judgment in a civil action or filing of a suit shall not

operate as a release and waiver of said lien. Only satisfaction of said judgment or the filing of a release of satisfaction of said lien shall release said lien.

5.12 Termination of Service

5.12A General Provisions. It is hereby declared to be a policy of the Board of Trustees of the North Shore Water Reclamation District that in the event that any person whose residence or other building is connected to sewers which are tributary to the works of the system of the North Shore Water Reclamation District, and who fails to pay any user charges as assessed under this Ordinance or against whose property foreclosure is instituted, may have the service terminated for that residence or other building.

The Board of Trustees also hereby declares that it is against public policy for a building to be occupied by human inhabitants which has had such service terminated.

The termination procedures in this Section 5.12 may be used in conjunction with or in lieu of any of the provisions of Sections 5.10 and 5.11.

5.12B Notice of Violation. In the event that either two invoices, with an aggregate balance of \$200.00 or more, in accordance with this Ordinance remain unpaid sixty (60) days after the due date or if the District receives a notice that foreclosure action is being taken, the District may proceed with the termination of service to the property by sending a Notice of Violation to the person(s) listed as being the user according to District records and to the tax payer of record, if different. Such notice shall state that unless either full payment is received or a deferred payment plan is signed within fifteen (15) days of the date of the notice, further steps will be taken to terminate service to the property.

5.12C Order to Terminate Sewer Service. The Board of Trustees, at its regularly scheduled meeting, shall consider staff's recommendation and either waive termination, order termination, or order termination with a stay on enforcement. The order may also include the assessment of any fees as recommended by the supervisor of the user charge department.

5.12D Termination Methods. If the Board issues an Order to Terminate Sewer Service, such order shall be served upon the user. In addition, such order shall be sent to the municipality in which the property is located, the Lake County Health Department and the Illinois Environmental Protection Agency. Termination of service will commence thirty-five (35) days after the said order is issued and mailed to the user by regular mail, with postage paid. The method of termination shall be to physically disconnect or plug the building sewer service line. The District may also utilize an alternate method of directing the water supplier to shut off the supply of water to the property in question in lieu of the District having to physically disconnect or plug the building sewer service line.

Upon completion of said termination, the District shall notify the Lake County Health Department that termination is completed. The District shall also forward to the user an invoice for all costs

incurred in terminating the service, including water supplier charges, security charges, all costs for labor and materials and up to one hundred dollars (\$100.00) for District supervision.

5.12E Reinstatement of Service. In the event of termination of service, the service may be reinstated in the following manner:

If the outstanding balance of the user is less than \$500 including: the costs assessed for the termination of service, the costs necessary to reinstate the service, and any inspection charge for the types of connection, full payment of the outstanding balance must be received to reinstate service. The District will issue a permit for the reconnection of the building service line to the system, or in the case of a water shut-off, an order to the water supplier to turn the water supply back on. All reconnection costs, including any inspection charges, shall be at the sole expense of the user.

If the outstanding balance of the user is equal to or greater than \$500 including: the costs assessed for the termination of service, the costs necessary to reinstate the service, and any inspection charge for the types of connection, the user, upon proof to the District that full payment of the outstanding balance would pose an economic hardship as outlined in Section 5.14F Extended Deferred Payment Agreements - General Provisions, is eligible for reinstatement of services upon payment of 75% of the outstanding balance and execution of a deferred payment agreement for the remaining outstanding balance. Full payment of the outstanding balance will be required to reinstate service if the user is unable to provide proof of economic hardship. The District will issue a permit for the reconnection of the building service line to the system, or in the case of a water shut-off, an order to the water supplier to turn the water supply back on. All reconnection costs, including any inspection charges shall be at the sole expense of the user.

Upon payment of the fees and reinstatement of service, the District, through its agents, shall remove the red-tag from the building and the building shall, so far as the District is concerned, be fit for human occupancy.

5.13 Transfer of Real Property

No transfer of real property within the corporate limits of the District may be completed unless the District has been notified of the impending transfer and has given its statement of final fees and charges for wastewater treatment service to the property to be paid at the time of closing, or has given its written statement that there are no outstanding charges relative to the said property.

The final invoice for the property shall be estimated based on the past consumption history of the user and the length of time between the last meter reading and the expected date of closing.

"All issuers of policies of title insurance must, in accordance with the terms of this Ordinance, include the following language in their reports of title:

"THE LAND IS LOCATED WITHIN THE TERRITORIAL BOUNDARIES OF THE NORTH SHORE WATER RECLAMATION DISTRICT, WHICH HAS ENACTED AN ORDINANCE, EFFECTIVE APRIL 1, 1991, RECORDED FEBRUARY 14, 1991, AS DOCUMENT 2989924. SAID ORDINANCE PROVIDES THAT NO TRANSFER OF REAL PROPERTY MAY BE COMPLETED UNLESS THAT DISTRICT HAS BEEN NOTIFIED OF

THE IMPENDING TRANSFER AND HAS GIVEN ITS STATEMENT OF FINAL FEES AND CHARGES FOR SANITARY SEWAGE SERVICE TO THE PROPERTY TO BE PAID AT THE TIME OF CLOSING, OR HAS GIVEN ITS WRITTEN STATEMENT THAT THERE ARE NO OUTSTANDING CHARGES RELATIVE TO THE SAID PROPERTY. **THIS TRANSACTION MAY NOT CLOSE, AND NO POLICY OF TITLE INSURANCE WILL ISSUE, UNTIL THIS ORDINANCE IS COMPLIED WITH."**

Section 9.04 of the District's Ordinance Relating to Sewers and Sewer Systems is hereby made applicable to this Section, with regard to penalties for the violation thereof."

5.14 Deferred Payment Agreements

5.14A Reserved.

5.14B General Provisions. Residential customers who are indebted to the District for past due service shall have the opportunity to make arrangements with the District to retire the debt by periodic payments referred to hereinafter as a deferred payment agreement unless this customer has failed to make payment under such a plan during the past twelve months. All other customers who are indebted to the District for past due service may have the opportunity, at the discretion of the District, to make arrangements with the District to retire the debt with a deferred payment agreement.

Notwithstanding the above, the District shall not be obligated to offer a deferred payment agreement to any customer less than seven (7) days prior to that customer's scheduled shut-off date.

All deferred payment agreements shall be in writing, with a copy provided to the customer, and shall conform to the following requirements:

1. the customer shall be required to pay all future bills by the due date;
2. the customer shall retire his/her debt according to the terms of the deferred payment agreement; and
3. the customer shall make the first such payment at the time of the signing of the agreement.

5.14C Terms and Conditions. The terms and conditions of a reasonable deferred payment agreement and the District's decision whether or not to offer a deferred payment agreement shall be determined by the District after consideration of the following factors, based on information available from current District records or as provided by the customer:

1. size of the past due account;
2. customer's ability to pay;
3. customer's payment history;
4. reason for the outstanding indebtedness; and
5. any other relevant factors relating to the circumstances of the customer's service.

5.14D Time Period Allowed. The District shall allow a maximum of twelve months for payment to be made under a deferred payment agreement.

5.14E Notice to Customers. The District shall notify customers of the potential availability of a deferred payment agreement on each notice required under Section 5.12. This information shall also be provided to customers who call, visit or otherwise contact the District's business office in order to discuss alternative payment arrangements.

5.14F Extended Deferred Payment Agreements-General Provisions. A customer subject to termination of service proceedings as per Section 5.12 may petition the District that a one-year time period to pay off all such past due amounts would pose an economic hardship on the customer. The District staff shall then be authorized to enter into a deferred payment agreement not to exceed two years in term, to be called an extended deferred payment agreement. Such a request for an extended deferred payment agreement shall be made by the customer in writing.

5.14G-I Reserved.

5.14J Default and Reinstatement. If the customer shall default upon any payment due under the deferred (or extended deferred) payment agreement, then the agreement shall be considered null and void.

If a customer defaults on a deferred payment agreement but has not yet had their service terminated, the District shall permit such customer to be reinstated on the deferred payment agreement if the customer pays in full the amounts which should have been paid up to that date pursuant to the original payment agreement (including any amounts for current usage which have become past due). The District shall be obliged to permit such reinstatement only once during the course of a deferred payment agreement.

Chapter 6

REVENUES AND ACCOUNTS

6.01 Deposit of Funds

All moneys received from the user charge system shall be delivered to the Treasurer or his authorized representative within the time interval prescribed by the Board of Trustees. The Treasurer or his authorized representative shall, upon receipt of said funds, deposit said funds in the checking account of the Wastewater Treatment Fund within the time interval prescribed by the Board of Trustees. All such revenues and moneys shall be held by the Treasurer separate and apart from his private funds.

6.02 Accounts

The District shall establish a system of accounts in accordance with generally accepted accounting principles in which all transactions relative to the user charge system shall be kept. The District's funds and financial statements shall be audited annually by a licensed public accountant to verify that the District's finances are free from material misstatement, error or fraud.

In addition to the customary operating statements, the annual audit report shall also reflect the revenues and operating expenses of the District, including costs for the replacement of capital assets, to document the long term sustainability of the user charge system. In this regard, the financial information to be shown in the audit report shall include the quantities and units prescribed in this Ordinance.

Chapter 7 ORDINANCE VALIDITY

7.01 User Charge Rate Amendments

The Board of Trustees shall be empowered at any time at their discretion, as it is deemed necessary, to amend and increase the individual charges to provide additional revenue . User charge rate amendments shall be implemented and reflected in the next subsequent month after their adoption and publication as required by law.

7.02 Other Sources of Revenue May Continue

The funds which are authorized to be collected hereunder were established in lieu of a portion of those funds formerly provided by general tax revenues for operation and maintenance.

Ad valorem tax revenues may continue to be collected for general obligation bonds, public benefit funds, for the operation, maintenance, and replacement costs attributable to inflow and infiltration, for the acquisition of capital additions, and for any other purpose provided by law.

Other fees such as connection and annexation charges shall continue to be collected in the manner provided for in the Ordinances of the District.

7.03 Severability

If any provision, paragraph, word, section, or chapter of this Ordinance is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words, sections, and chapters shall not be affected and shall continue in full force and effect.

7.04 Conflict

All other ordinances and parts of other ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of such inconsistency or conflict; provided, however, that the foregoing repeal shall have no effect on the right of the District to collect any sum due and unpaid under any prior Ordinance.

7.05 Effective Date

This Ordinance shall be in full force and effect upon its adoption and publication as required by law or on March 1, 2018 whichever date is later.

Daniel M. Pierce
President

ATTEST:

Mary Jo Bryant
Secretary

ADOPTED OR REVISED

December 13, 1982
July 13, 1983
June 13, 1984
June 12, 1985
January 8, 1986
January 23, 1986
July 9, 1986
September 25, 1986
October 30, 1986
July 23, 1987
April 26, 1990
July 11, 1990
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January 11, 1997
January 21, 2002
March 11, 2005
July 15, 2005
October 11, 2008
August 19, 2014
February 16, 2018