

NORTH SHORE SANITARY DISTRICT ORDINANCE ESTABLISHING A USER CHARGE SYSTEM

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

Whereas, said costs result from but are not necessarily limited to labor, utilities, administration, chemicals, supplies, depreciation, and equipment replacement connected with the operation of District owned sewers, pumping stations, and sewage treatment plant facilities, and

Whereas, present District revenues for such expenses are derived from ad valorem taxes levied and collected upon the assessed value of real and personal property within the territorial limits of the District, the aggregate of which is levied at a rate limited by the State Legislature, and

Whereas, the present tax rate is incapable of generating sufficient revenues for operation and maintenance expense purposes, and

Whereas, the Federal Water Pollution Control Act as amended and any applicable regulations promulgated thereto provide that, in the case of sewage treatment plant construction grant assistance, an approvable plan and schedule of implementation must be developed for a system of user charges to assure that each recipient of waste treatment services within the applicant's service area will pay its proportionate share of the costs of operation and maintenance, including replacement, and

Whereas, the Sanitary District has accepted Federal grant assistance, thus a User Charge System for all users must be implemented, and

Whereas, the Board of Trustees has authorized and directed the staff to make the necessary analyses to determine the various classes of users and the bases for annually determining the user charge applicable to the users in each of the various classes, and

Whereas, for the purposes of this Ordinance only, users are to be classified generally as residential, commercial, industrial, governmental, and institutional, and

Whereas, as stated in the Federal Regulations, the user charge must result in the distribution of the cost of the operation, maintenance, and replacement of the system for each user or user class in proportion to each user's contribution to the total wastewater loading of the system, and that the User Charge System must generate sufficient revenue to pay the cost of all system operation, maintenance, and replacement, and the Federal Regulations further provide that the actions of the grantee shall determine the most cost-effective waste treatment management system practicable, and

Whereas, each year following a formal review and analysis of the funds expended by the District on operation, maintenance, and replacement for the previous year, the District shall fix the basis for ascertaining user charges for the subsequent fiscal year, and

Whereas, the anticipated costs of such operation, maintenance, and replacement shall include all expenditures to be incurred in:

- a. the Sewerage Enterprise 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, it is required, in determining the proportion of each user's contribution to the total wastewater loading of the treatment works, to consider such factors as strength, volume, and delivery flow rate characteristics to ensure a proportional distribution of the operation, maintenance, and replacement costs to each user or user class, and

Whereas, in determining the actual distribution of the cost of operation, maintenance, and replacement of the system, the most direct means of determining the cost distribution among the several classes of users would be to install continuous recording flow meters and composite samplers in the building sewer line of each user to provide accurate information as to each user's contribution to the total wastewater loadings of the system, and

Whereas, to do so, since the most direct method of obtaining results is not necessarily the most cost-effective manner of proceeding, the District has determined that inasmuch as the majority of users in the District's service are connected to a public water supply system, and since the public water supply system has, as a constituent part in each building, a meter which registers the inflow of water from such public water system to such building, such water meters should be utilized to provide a basis for measurement of user contributions, where available, and

Whereas, the usual occurrence is that the majority of the water flowing through such meters finds its way to the sanitary sewer system of the building and thence into the sanitary sewer system of or serviced by the District, and

Whereas, such means of measurement, where available, provides the most cost-effective basis of ascertaining the user's contribution to the system, notwithstanding the fact that all water registering on the meter does not necessarily flow into the sewage system, and

Whereas, during the summer months residential customers do use an additional amount of water, though, that is not returned to the sanitary sewer system, and for purposes of administering the user charge system the District shall adjust the incoming water usage accordingly, and

Whereas, since the District is required to bill users not only on their volume of usage but also on the strength of their wastewater, the concentration of BOD and suspended solids for each user must be determined, and

Whereas, in the District's belief that a user's BOD does not adequately represent the organic strength of the user's waste because of biological, or chemical inhibition or interference, the District shall utilize COD as a measure of the organic strength of said waste according to the formulas as stated within this ordinance, and

Whereas, since to individually determine the values for each user would be cost-prohibitive, the District has determined standard values for each user category, and

Whereas, for certain users, where the District believes that the standard values do not accurately depict the strength of a particular user's wastewater, the District has determined that such users must install an approved recording flow meter and a composite sampler as required in a structure located on the building sewer line to enable the District to obtain exact information, and

Whereas, all residential buildings which are on a private water well system shall be considered equal in wastewater contribution and, therefore, subject to a flat rate estimate of water use based on the number of dwelling units in the building, and

Whereas, the total waste flows arriving at the treatment works of the District are in excess of the sum of water meter readings, waste flow meter readings, and flat rate estimates of all District users due to the infiltration and inflow of other waters into the system, and

Whereas, it is necessary to utilize the sum of water meter readings, waste flow meter readings, and flat rate estimates in order to calculate the amount of infiltration and inflow, and

Whereas, since the costs attributable to such infiltration and inflow are related more to the property it is thus fair to recover those costs through the ad valorem tax, and

Whereas, the District does not normally maintain the lateral sewers but only the interceptor sewers within the District's boundaries, and

Whereas, for those few locations where it does maintain the lateral sewers it thus provides an extra service to those particular users, it is therefore fair to assess to those users connected directly to such sewers a fee for such service, and

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

Whereas, the District must maintain records to document compliance with the Federal requirements,

NOW, THEREFORE, BE IT ORDAINED by the Board of Trustees of the North Shore Sanitary 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 42 of the Illinois Revised 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, to establish principles of application, classes of users, procedures, bases for the determination of rates, manner of revenue collection, and 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 Sanitary 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 may discontinue levying a portion of the ad valorem tax historically used for the operation, maintenance, and replacement of the works of the system, and in lieu thereof shall assess 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 Sanitary 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 Sanitary District, a municipal corporation organized under Chapter 42 of the Illinois Revised 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 treatment plant 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, 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 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.
- b. *Ordinance Establishing the Fees and Charges of the North Shore Sanitary 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 of wastewaters generated within the District.
- 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 treatment plants, 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 twenty-eight (28) categories according to the definition that best fits a particular user:

- a. *R01-Residential* -- Shall mean any single-family or multiple-family dwelling unit designed primarily as a place of human habitation which discharges to the District's system domestic wastewater only.
- b. *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.

- c. *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.
- d. *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.
- e. *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.
- f. *C02-Food Store* -- Shall mean any establishment primarily engaged in the sale of foods or food and household products.
- g. *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.
- h. *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.
- i. *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.
- j. *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.
- k. *C07-Cleaning Establishment* -- Shall mean any establishment primarily engaged in the laundering or cleaning, dry or otherwise, of personal clothing or household items, or cleaning or laundering of items either worn or used within an industry as a service to that industry.
- l. *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.
- m. *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.

- n. *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.
- o. *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.
- p. *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.
- q. *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.
- r. *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.
- s. *I01-Industrial I* -- Shall mean any establishment engaged in wholesale commercial 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.
- t. *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.
- u. *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.
- v. *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.
- w. *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.
- x. *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.

- y. *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.
- z. *M03-Long Term Care Facilities* – Establishments engaged in providing inpatient nursing, mental or physical health related care or rehabilitative services.
- aa. *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.
- ab. *M0-5-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 twenty-eight (28) user categories shall be further grouped into five general classes based upon the first letter designating each such user category. The six 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

Within 180 days after the effective date of this Ordinance, 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, excepting those that have installed a credit meter, 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 annually by the District and issued for use beginning in the next subsequent month.

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, in order to determine the average BOD and suspended solids concentrations. Likewise, any user who believes that the strength of his wastewater is below the values assigned for his user category, may install at his 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 District-generated data.

All costs incurred by the District in sampling and testing such users shall be recovered by invoicing such users according to the fees listed in an Ordinance Establishing the Fees and Charges of the North Shore Sanitary District.

For those users whose waste indicates the presence of a toxic, inhibitory or interfering material by consistently having a ratio of COD/BOD greater than that average observed within the influents of the District's facilities and non-industrial dischargers' waste, the user's waste strength shall be determined by the following formula:

$$\text{BOD} = ((\text{COD User} / \text{BOD User}) / (\text{COD District Average} / \text{BOD District Average})) \times \text{BOD User}$$

and the resultant calculated value shall be used in place of the standard user's BOD value for strength calculations.

3.05 Installation of Sampling Manholes and Equipment

After the effective date of this Ordinance, each non-residential user, where required by the District and with 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

From and after the passage of this Ordinance 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.

District personnel shall be considered authorized under this Ordinance if they have been bonded and insured and have been issued District badges which contain their photograph and other identification information.

The District shall hold harmless the owner of the property and/or the tenant for injury or death to such District employees, except such as may be caused by negligence or failure of the owner of the property and/or the tenant to maintain safe conditions.

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. Failure to permit such readings shall constitute grounds for termination of service or for estimating the usage based upon past or similar use.

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 combined rates. A Combined Flow rate for each user category shall be developed 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:

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

where: BOD = standard BOD concentration for that
user category

TSS = standard TSS concentration for that
user category

Any user who is not individually sampled may thus be billed at the District's option on the combined rates. In no case may the actual fees charged a user on an invoice be different by using the combined rates as opposed to using the determined individual rates, after taking into account the fact that all rates are to be rounded to the nearest cent.

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 Sanitary District.

4.07 Notification of Rates

Each user will be notified, at least annually, in conjunction with a regular bill, of the rate and that portion of the user charges which are attributable to wastewater treatment services.

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 sludge 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 shall be invoiced at the same frequency with which they receive their water bills. Such invoices shall be sent out as soon as possible after the issuance of the water bills by the particular water purveyor. Those customers who do not receive a water bill shall be invoiced quarterly. Users shall be invoiced based on the rate schedule in effect for the time period during which service is rendered as opposed to when the invoice is issued. If the time period of service spans more than one rate schedule, the amounts invoiced shall be computed using the rate schedule in effect for each day of service rendered. 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 Sanitary District. Instead, any usage that would have been billed will be carried forward to the next invoice.

5.02 Payment of Invoices

All cash receipts shall be applied against individual invoices. When applying such cash, invoices so designated through a receipt shall have those amounts applied first. Any remaining amounts shall then be applied against the oldest outstanding invoice.

Customers may pay either at the District's office during normal business hours, by mail, 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.

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 Sanitary 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 Sanitary 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 treatment plant;
- c. all facilities owned by the North Shore Sanitary 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 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 may have to pay any such penalties that would have accrued and the amounts must then be paid in the same time as though the amounts had not been disputed.

All such disputes will first be referred to the user charge section of the District for analysis and a decision. If the user is not satisfied with that decision, the matter will then be referred to a committee hereby created called the Exemption Committee consisting of four employees of the District appointed by the General Manager. The Exemption Committee will review the matter and make a decision. If the user is not satisfied with this decision the matter will then be referred to the Manager of the District's department having jurisdiction and the Manager will then make a decision. If the user is not satisfied with that decision, then the matter is subject to arbitration as set forth in Section 5.07 of this ordinance.

5.07 Arbitration of Disputes

In the case that a user is not satisfied with a decision of the District with respect to the disputed amount or with respect to the manner in which the District has determined his billable flow, BOD concentration, or suspended solids concentration, the user may request in writing that his dispute be resolved through binding arbitration.

The same shall then be determined by a three-member arbitration board to be composed of accountants and/or engineers, one appointed by the District, one appointed by the user, and the third to be appointed by the other two. In the event that the first two members so selected fail to agree upon a third member, then upon the petition of either of the parties the circuit judge shall appoint a third member. A decision of a majority of the arbitration board shall be binding on both parties and the cost of the services of the arbitration board shall be shared by both parties equally.

5.08 Failure to Receive an Invoice

Failure of any user of the works of the system to receive an invoice for sewage 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 residential customers for one year and non-residential customers for two years in those cases in which the District, for any reason whatsoever, never issued an invoice to a particular customer. The date that the District became aware of the situation shall be used as the end of the retroactive billing period.

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 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.

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 Sanitary District.

5.11 Filing of Liens and Civil Suits

All user charges levied under the provisions herein shall become a lien upon the lands on or after the effective date of this Ordinance. In addition to any other method of collection as herein provided or as provided by law, the District shall also have the power from time to time 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 initially been placed on the property. All such actions to file and release a lien shall be done in accordance with Chapter 42 of the Illinois Revised Statutes. 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. Judgement in a civil action or filing of a suit shall not operate as a release and waiver of said lien. Only satisfaction of said judgement 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 Sanitary 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 Sanitary District, and who fails to pay any user charges as assessed under this Ordinance or against whose property foreclosure is instituted, shall, upon due process, 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 in accordance with this Ordinance remain unpaid sixty (60) days after the due date with a balance of at least \$200.00 or if the District receives a notice that foreclosure action is being taken against a property, 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 property owner, if different. Such notice shall be sent certified mail, return receipt requested and shall state that unless either full payment is received or a time 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 Notice of Hearing to Show Cause. In the event that the user has not either made full payment or signed a time payment plan by the end of the fifteen (15) day period, the District shall issue a Notice of Hearing to Show Cause. Such notice shall be sent certified mail, return receipt requested to the same persons as the Notice of Violation. If the user does not receive the certified mail, the District shall attempt to personally serve the user, and if that fails, shall

then post such notice on the front or rear door of the building. The notice shall state that the amounts due the District remain unpaid and that a hearing has been scheduled for the user to show cause as to why service to the property should not be terminated. The notice shall state the date, time, and location of the hearing.

The District shall have the power, upon issuance of the Notice of Hearing to Show Cause, to file a Lis Pendens Notice, describing the affected property and the proceedings, in the office of the Lake County Recorder of Deeds.

5.12D Show Cause Hearing. The District shall appoint a hearing officer and schedule a hearing not more than three (3) weeks from the date of the Notice of Hearing to Show Cause. At such hearing, which shall take place according to duly authorized procedures, a certified court reporter will be present, and the District shall present its evidence for termination. The user shall be given an opportunity to question witnesses and present evidence in his behalf. After hearing the evidence, the hearing officer shall submit a recommendation to the Board of Trustees. If the user fails to appear at the scheduled hearing, after due notice, the hearing officer may recommend termination of service by default. The hearing officer may also recommend that costs incurred by the District be added to the user's account. These costs may include, but are not limited to, hearing officer, service, attorney, court reporter, title company, publication, and witness fees.

5.12E Order to Terminate Sewer Service. The Board of Trustees, at its next regularly scheduled meeting, shall consider the recommendation of the hearing officer 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 hearing officer.

5.12F 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 certified mail, return receipt requested, to the municipality in which the property is located, lien holders of record, and necessary public agencies. Termination of service will commence thirty-five (35) days after the said order is issued. The method of termination shall be to physically disconnect or plug the building sewer service line. If the District has an agreement with the user's water supplier, whereby the water supplier agrees 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, then this alternate method may instead be used.

Upon completion of said termination, the District shall "red-tag" the building as being unfit for human occupancy. The District shall also forward to the user an invoice for all costs incurred in terminating the service, including all costs for labor and materials and up to one hundred dollars (\$100.00) for District supervision.

5.12G 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 5.14G Extended Deferred Payment Agreements - Proof of Economic Hardship, 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 sanitary sewage 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 SANITARY DISTRICT, WHICH HAS ENACTED AN ORDINANCE, EFFECTIVE APRIL 1, 1991, RECORDED (insert date ordinance was recorded), 1991, AS DOCUMENT (insert document number). 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 Basis of Provisions. The regulations set forth in this Section are substantially similar and based on those adopted by the Illinois Commerce Commission as applying to private utility companies. The District is not a private utility company and is not regulated by the Illinois Commerce Commission but the District finds that these regulations are reasonable and should be adopted for the benefit of all the citizens of the District.

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 more than seven (7) days after the customer has been issued an Order to terminate Sewer Service as per Section 5.12 of this Ordinance.

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 first such payment shall be made 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 minimum of four months from the date of said agreement and a maximum of twelve months for payment to be made under a deferred payment agreement. A customer may be permitted to enter into a deferred payment agreement which extends over less than four months, if so desired.

5.14E Notice to Customers. The District shall explain the rules concerning a deferred payment agreement by means of an insert which shall be enclosed with each notice required under Section 5.12. This information shall also be provided to customers who visit the District's business office in order to negotiate a deferred payment agreement.

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 extended deferred payment agreements shall have a provision in which the customer shall waive all future rights to a hearing under Section 5.12 in return for the extension of time.

5.14G Extended Deferred Payment Agreements-Proof of Economic Hardship. Customers alleging economic hardship shall provide the District with sufficient information so that the District can properly determine the monthly household income, number of dependents, and any extraordinary expenses. This information shall be certified in writing as correct by the customer. The customer shall also sign a waiver permitting the District to receive income information from any public or private agency providing income assistance or from any employer, whether public or private.

5.14H Extended Deferred Payment Agreements-Determination of Monthly Payment and Term of Agreement. Normally, the amount of the indebtedness to be repaid each month under an extended deferred payment agreement shall be derived by multiplying the monthly household income by 4%. However, if such monthly payment would require more than 24 payments to repay the indebtedness in full, then the monthly payment shall be derived by dividing the amount of the indebtedness by 24. Customers who have substantiated that they either have extraordinary expenses

or other circumstances affecting their ability to pay may be allowed up to the full two-year term in lieu of the term calculated by using the 4% rule above.

5.14I Renegotiation. If the customer's economic or financial circumstances change during the effective period of a deferred payment agreement, and not more than 14 days have elapsed since the customer defaulted on the deferred payment agreement, the District shall be obliged, if the customer so requests, to renegotiate the terms and conditions of the deferred payment agreement, taking into consideration the changed economic and financial circumstances substantiated by the customer. The reinstatement of a previously defaulted deferred payment agreement shall not prevent the renegotiation of a deferred payment agreement. However, the District shall not be obliged to renegotiate any deferred payment agreement more than one time or to extend the payment period beyond the maximum time period allowed at the time the District and the customer entered into the original deferred payment agreement.

5.14J Default and Reinstatement. If the customer shall default upon any payment due under the 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 user charge checking account of the Sewerage Enterprise 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. At regular annual intervals the District shall have an independent auditing concern audit the books to show the receipts and disbursements of the District.

In addition to the customary operating statements, the annual audit report shall also reflect the revenues and operating expenses of the District, including a replacement cost, to indicate that charges under the user charge system do in fact meet these regulations. In this regard, the financial information to be shown in the audit report shall include the quantities and units prescribed in this Ordinance.

6.03 Replacement Reserve Account

A reserve account shall be recorded by reducing the Sewerage Enterprise Fund retained earnings by an amount equal to the replacement portion of user charges billed. Said reserve shall not otherwise be available for appropriation.

6.04 Access to Records

The Illinois Environmental Protection Agency or its authorized representative shall have access to any books, documents, papers, and records of the District which are applicable to the District's system of user charges for the purpose of making audit, examination, excerpts, and transcriptions thereof to ensure compliance with the terms of any grants issued by the Illinois Environmental Protection Agency.

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 to defer costs not known or anticipated at the time of preparation of the latest estimate of anticipated costs, except, however, if at such time the Board has determined that funds allocated in the latest estimate of anticipated costs will not be expended for items originally intended, either in full or in part, the unexpended funds may be allocated to the new or increased cost to the extent possible before increasing the charges heretofore established. 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 are collected in lieu of some or all of the funds formerly provided by general tax revenues for operation and maintenance.

General 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 January 1, 2009 whichever date is later.

Daniel M. Pierce
President

ATTEST:

Mary Jo Bryant
Secretary

ADOPTED OR REVISED

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July 13, 1983
June 13, 1984
June 12, 1985
January 8, 1986
January 23, 1986
July 9, 1986
September 25, 1986
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