



City of Pekin

SPECIAL COUNCIL MEETING MONDAY, AUGUST 2, 2010
5:30 P.M.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

Mayor Rusty L. Dunn

III. ROLL CALL

Clerk to Call the Roll

IV. APPROVAL OF AGENDA

ACTION: Motion to approve the meeting agenda.

VOTE REQUIRED

V. PUBLIC INPUT

VI. NEW BUSINESS

1. Award Bid for Wastewater Treatment Plant Improvement Phase I

(J Wuellner)

DESCRIPTION: approving the award of the contract to the low bidder.

ACTION: Motion to approve the bid in the amount of \$7,664,000 and award the contract to Williams Brothers Construction, Inc.

VOTE REQUIRED

2. Resolution No. 62-10/11 – A Resolution expressing official intent regarding certain capital expenditures to be reimbursed from the proceeds of an obligation

(J Wolf)

DESCRIPTION: A statement of intent to reimburse expenditures with the proceeds of a bond and expected obligation to be issued for the sewer improvements.

ACTION: Motion to adopt the resolution.

VOTE REQUIRED

3. Ordinance No. 2624-10/11 – Amending Title 4, Chapter 4, Article C of the Code of the City of Pekin 1995 Regarding Sewer User Charges

(J Wuellner)

DESCRIPTION: appropriate method of defraying costs of improvements to the wastewater facility by adjustments in the volumetric rate and surcharge rate for use of treating wastewater.

ACTION: Motion to adopt the ordinance.

VOTE REQUIRED

VII. ANY OTHER BUSINESS TO COME BEFORE THE COUNCIL

Council Members
Staff
Public Questions
Press Time

VIII. ADJOURNMENT

With no further action to come before the Council the Mayor declares meeting closed in open session.

NO VOTE REQUIRED



REQUEST FOR COUNCIL ACTION

To: Council Members

CC: Dennis Kief, Sue McMillan, Angie Evans, & City Attorney

From: Joe Wuellner

AGENDA ITEM: Award of Waste Water Treatment Plant Upgrades to Williams Brothers Construction, Inc.

AGENDA DATE REQUESTED: July 12, 2010

ACTION REQUESTED: Approve the awarding of the Waste Water Treatment Upgrades Project to Williams Brothers Construction, Inc. in the amount of \$7,664,000.

BACKGROUND: After finally receiving the permit to construct and operate the waste water plant with the proposed upgrades, we have gone through the bidding process and received excellent bids for the work. The estimate is \$8,928,700 and the low bid supplied by Williams Brothers was \$7,664,000 or \$1,264,700 below the estimate. Attached is a breakdown of the bids performed by Farnsworth (Pat Sheridan) and reviewed by me with comments and recommendations. Because of the instability of the current markets, we recommend that this be awarded as soon as possible to avoid any delays in getting the items ordered at the current prices. Originally it was planned to award this project at the meeting on the 12th but now it is my understanding that this is not likely to occur. Please keep in mind that delays in award could be costly should the markets change and price increase which would be subject to contract modification.

This phase of the planned work at the plant is being funded through a loan for the majority of the cost but will use the \$480,000 of the STAG grant and approximately \$1,000,000 or so from the Sewer Fund as needed.

FINANCIAL IMPACT: Use of Sewer Funds, STAG Grant, and loan.

NEIGHBORHOOD CONCERNS: None

IMPACT IF APPROVED: Badly needed upgrades to the plant can be constructed and progress made toward complying with existing Pollution Control Board order.

IMPACT IF DENIED: Plant will continue to run as is and complying with the PCB order may not be accomplished on time.

ALTERNATIVES: NONE

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Strong Foundation

REQUIRED SIGNATURES

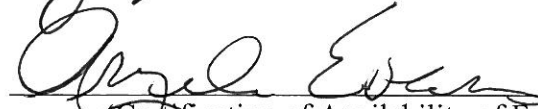
Department Director



7/7/10

Date

Finance Department



(Certification of Availability of Funds)

7-7-10

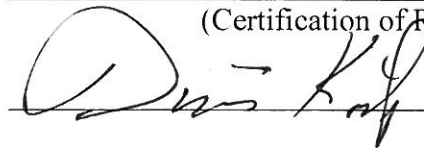
Date

Corporation Counsel

(Certification of Review)

Date

City Manager



7-7-10

Date

July 6, 2010

City of Pekin
111 S. Capitol Street
Pekin, IL 61554

Attention: Joe Wuellner
Director of Public Works

Subject: Pekin Wastewater Treatment Plant (STP #1) Improvements, Phase 1

Dear Joe,

Bids were opened on the subject project on July 1, 2010 at 2:00 pm in the City of Pekin Council Chambers.

Four bids were received from regional general contractors. A summary bid tabulation is attached. The apparent low bidder is Williams Brothers Construction, Inc. of Peoria, IL. The following is offered for your consideration:

1. The Lump Sum Low Bid is in the amount of \$7,664,000. This compares favorably to the estimate of \$8,928,700. This is a reduction of \$1,264,700 in the budget discussed and presented at the June 21, 2010 council meeting.
2. A copy of the Williams Brothers Construction, Inc. proposal is attached. The listed manufacturers/suppliers of the major items of equipment evidence compliance with the specifications.
3. Subcontractors listed in the proposal include Morse Electric of Freeport, IL; Tobin Mechanical, Peoria, IL; JA Fritch of Peoria, IL; and George Young and Sons of East Peoria, IL.
4. The general contractor and subcontractors proposed are all established regional contractors with experience in projects of this scope. In that regard, the proposed Bidder is qualified to perform the scope of work specific to the Pekin WWTP #1 Improvements. I will however, note that we do have past experience on other projects with this proposed mix of contractors and equipment suppliers. The level of required on-site Engineering Quality Assurance, inspection, guidance and coordination will be in excess of the ½ time assumption made in our 24th May, 2010 T&M estimate. (We will proceed with due diligence under the terms and estimate of our existing Agreement with close attention to the budget but respectfully note in advance that a higher level of Engineering presence on the project is definitively anticipated).
5. We recommend award of the Project to the low responsive and responsible Bidder, Williams Brothers Construction in the amount of \$7,664,000.

0071195.00

6. We recommend the City retain a 10% budget contingency for the following:

- a. Changes required for unknowns structures, piping or subsurface conditions that may be encountered.
- b. Changes to accommodate specific requirements of the Phase 2 construction (currently under design) or that can reduce cost of the Phase 2 construction.
- c. Allowance for unknowns requiring small adjustment or additions characteristic of retrofit type projects.

Unused contingency can be directly rolled over into the future Phase 2 budget.

7. We recommend immediate award of the project with the following consideration.

- a. Market equipment and material prices vary. We have past experience of commodity price escalation necessitating a contract price increase during an extended "bid holding" period. The City should award and take full advantage of the favorable bid pricing.
- b. Current weather conditions are excellent for construction and delay of award simply pushes work closer to the forthcoming winter season.
- c. Award delay pushes completion of Phase 1 further into the Phase 2 project timeline, which is not in the interests of the project or the City. Portions of the existing plant need to remain in operation during the improvements work. Overlapping the proposed project phases creates conflict and delay in accomplishing this.
- d. The Plant operations are severely impacted by the high river levels even as this recommendation is being written. (Emergency effluent bypass pumping with rental pumps and hoses). The Phase 1 project work is urgently needed for effective Plant Operation.
- e. The City needs to remain on schedule with the Project Facility Plan submitted to the IEPA in 2009 and with regard to the deadline in the existing Pollution Control Board Order. The Phase 1 construction is already one Fiscal Year behind the original 2009 Facility Planning Report Schedule. Award of the project to demonstrate the City's commitment to the Plan is an important step in securing the confidence of the IEPA and potential Phase 2 Low Interest Loan Financing.

We are available at your convenience to discuss further or address to council as needed.

Sincerely,

FARNSWORTH GROUP, INC.

Patrick J. Sheridan, P.E.

City of Pekin Wastewater Treatment Plant STP #1 Improvements - Phase 1 Letting: Thursday, July 1, 2010 2:00 Base Bid:		Farnsworth Group, Inc. 2709 McGraw Drive Bloomington, IL 6704	Williams Brothers Construction, Inc. P.O. Box 1366 Peoria, IL 61654	Leander Construction, Inc. P.O. Box 345 Canton, IL 61520	River City Construcion, L.L.C. 101 Hoffer Lane East Peoria, IL 61614	Core Construction 866 N. Main St. Morton, IL 61550-0160
Item Description		Lump Sum Total	Lump Sum Total	Lump Sum Total	Lump Sum Total	Lump Sum Total
Site Demolition, Clearing and General Mobilization		\$ 55,000.00	\$ 58,284.00	\$ 421,000.00	\$ 538,000.00	
Fill and Grading		\$ 80,000.00	\$ 23,317.00	\$ 76,000.00	\$ 21,000.00	
Headworks Building Structure, Finished Floor Level and Below Including Flume Structure		\$ 1,386,000.00	\$ 1,449,881.00	\$ 1,751,000.00	\$ 1,342,000.00	
Headworks Building above Finished Floor Level Complete		\$ 2,000,000.00	\$ 1,088,903.00	\$ 615,000.00	\$ 992,000.00	
Headworks Motor Control Center Electrical Gear		\$ 116,000.00	\$ 120,421.00	\$ 149,000.00	\$ 120,000.00	
Bar Screen Equipment, Screening Washer, Conveyor		\$ 380,000.00	\$ 466,079.00	\$ 403,000.00	\$ 372,000.00	
Screw Pump Equipment		\$ 240,000.00	\$ 373,159.00	\$ 325,000.00	\$ 287,000.00	
Grit Removal Equipment, Grit Cleaning System		\$ 230,000.00	\$ 311,817.00	\$ 258,000.00	\$ 270,000.00	
Stop Gates, Sluice Gate Equipment and Actuators		\$ 160,000.00	\$ 309,556.00	\$ 316,000.00	\$ 296,000.00	
Non-Potable Water Pump Station Complete		\$ 80,000.00	\$ 104,296.00	\$ 245,000.00	\$ 237,000.00	
Parshall Flume Flow Meter Equipment		\$ 5,000.00	\$ 64,617.00	\$ 29,000.00	\$ 9,000.00	
Digester No. 2 Mixing Equipment		\$ 100,000.00	\$ 143,890.00	\$ 157,000.00	\$ 199,000.00	
Gas Safety Equipment		\$ 190,000.00	\$ 220,116.00	\$ 250,000.00	\$ 206,000.00	
Effluent Pump Equipment		\$ 175,000.00	\$ 176,714.00	\$ 191,000.00	\$ 186,000.00	
Stop Gates, Sluice Gate Equipment and Actuators		\$ -	\$ -	\$ -	\$ -	
Effluent Pump Station Complete		\$ 130,000.00	\$ 416,457.00	\$ 304,000.00	\$ 424,000.00	
Boiler/Heat Exchanger Equipment		\$ 150,000.00	\$ 158,596.00	\$ 183,000.00	\$ 167,000.00	
Site Piping		\$ 800,000.00	\$ 1,077,412.00	\$ 954,000.00	\$ 841,000.00	
Site Pavement Improvements		\$ 23,000.00	\$ 87,067.00	\$ 18,000.00	\$ 47,000.00	
Site Electrical - Including MSB/ATS with Concrete Pad and Vault		\$ 650,000.00	\$ 371,991.00	\$ 607,000.00	\$ 739,000.00	
Emergency Generator Equipment, and associated wiring, and concrete pad/vault complete.						
Digester Building Improvements, Piping, Removals Complete		\$ 140,000.00	\$ 231,376.00	\$ 202,000.00	\$ 172,000.00	
Digester No. 2 Painting		\$ 160,000.00	\$ 120,000.00	\$ 141,000.00	\$ 196,000.00	
Digester No. 1 Banding Repair		\$ 54,000.00	\$ 62,932.00	\$ 44,000.00	\$ 4,000.00	
Control Panels		\$ 20,000.00	\$ 70,758.00	\$ 42,000.00	\$ 57,000.00	
Cleanup, Restoration, Seeding/Mulching and Finalization		\$ 230,000.00	\$ 262,118.00	\$ 228,000.00	\$ 293,000.00	
Fixed Allowance for purchase of Owner selected and specified computer hardware and software. Owner will deduct from this line item for hardware and software components purchased. Source, specification and quantity of components as directed by Owner.		\$ 10,000.00	\$ 24,243.00	\$ 40,000.00	\$ 45,000.00	
TOTAL LUMP SUM BASE BID PHASE 1:		\$ 7,664,000.00	\$ 7,894,000.00	\$ 8,049,000.00	\$ 8,160,000.00	

RESOLUTION NO. 62-10/11

RESOLUTION expressing official intent regarding certain capital expenditures to be reimbursed from the proceeds of an obligation.

WHEREAS the City of Pekin, Tazewell and Peoria Counties, Illinois (the "*Issuer*") now wishes to advance moneys from available funds to pay the costs of certain capital projects described in *Exhibit A* attached hereto and made a part hereof (the "*Projects*"); and

WHEREAS all or a portion of the expenditures relating to the Projects and to be made from such funds (the "*Expenditures*") (i) have been paid within the sixty (60) days prior to the passage of this Resolution, or (ii) will be paid on or after the passage of this Resolution; and

WHEREAS the Issuer reasonably expects to reimburse itself or pay for the Expenditures with the proceeds of an obligation;

NOW THEREFORE Be It and It is Hereby Resolved by the City Council of the City of Pekin, Tazewell and Peoria Counties, Illinois, as follows:

Section 1. The Issuer reasonably expects to reimburse or pay the Expenditures with proceeds of an obligation.

Section 2. The maximum principal amount of the obligations expected to be issued for the Projects and to be made from the funds is \$7,500,000. **DRAFT**

Section 3. All actions of the officers, agents and employees of the Issuer that are in conformity with the purposes and intent of this Resolution, whether taken before or after the adoption hereof, are hereby ratified, confirmed and approved.

Section 4. This Resolution shall be in full force and effect immediately upon its adoption.

Adopted August 2, 2010.

Approved August 2, 2010.

Recorded August 2, 2010.

Mayor

Attest:

City Clerk

AYES:

NAYS:

ABSENT OR NOT VOTING:

EXHIBIT A

Sanitary sewer improvements.

STATE OF ILLINOIS)
) SS.
COUNTY OF TAZEWELL)

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Pekin, Tazewell and Peoria Counties, Illinois, and as such officer I am the keeper of the records and files of the City Council of said City.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the legally convened meeting of said City Council of said City held on the 2nd day of August, 2010, insofar as same related to the adoption of a resolution entitled:

RESOLUTION expressing official intent regarding certain capital expenditures to be reimbursed from the proceeds of an obligation.

a true, correct and complete copy of which said resolution as adopted at same meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the City Council of said City on the adoption of said resolution were taken openly; that the vote on the adoption of said resolution was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the City Council of said City at least forty-eight (48) hours in advance of the holding of said meeting; that said agenda contained a specific item concerning said resolution; and that said meeting was called and held in strict accordance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that said City Council has complied with all of the applicable provisions of said Act, said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of said City, this ____ day of _____, 2010.

City Clerk, City of Pekin, Tazewell and
Peoria Counties, Illinois

(SEAL)

Pekin WWTP and Funding Schedule Analysis	WWTP Phase 1 Funded 2010																										
without any loans for final phases	WWTP Phase 2A/B and On-Site CSO/LTCP Improvements Funded 2011 and 2012																										
Seven (7) project Phases	LTCP/CSO Phase 3A - WWTP Plant 1 to Fayette Funded 2017																										
20 Year Capitalization for each Phase	LTCP/CSO Phase 3B - Fayette to Caroline Funded 2019																										
WWTP and On Site CSO Implementation in 4 years	LTCP/CSO Phase 3C - State St. CSOPump Station and Force Main Funded 2021																										
Remaining CSO Implementation in 10 years	LTCP/CSO Phase 4 - Plant 2 Revisions Funded 2023																										
Total Project Implementation 14 years																											
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
Pekin WWTP Phase 1 Probable Construction Estimate	\$7,664,000																										
Construction Phase Services	\$608,000																										
Contingency 10%	\$766,400																										
Total Phase 1	\$9,038,400																										
Pekin WWTP Phase 2A and Onsite CSO/LTCP Improvements Probable Construction Estimate		\$17,437,700																									
Design and Contract Documents	\$910,000	\$910,000																									
Construction Phase Services		\$1,647,300																									
Total Phase 2A		\$19,995,000																									
Pekin WWTP Phase 2B and Onsite CSO/LTCP Improvements Probable Construction Estimate			\$15,802,900																								
Construction Phase Services			\$909,500																								
Total Phase 2B			\$16,712,400																								
LTCP/CSO Interceptors & Junction Structures WWTP to Fayette (Phase 3A)																											
Probable Construction Estimate								\$3,286,400																			
Design and Contract Documents								\$1,268,400																			
Construction Phase Services								\$353,300																			
Total Phase 3A								\$4,908,100																			
LTCP/CSO Interceptors, and Junction Structures (Phase 3B)																											
Probable Construction Estimate										\$3,478,300																	
Construction Phase Services										\$260,900																	
Total Phase 3B										\$3,739,200																	
LTCP/CSO State St. Pump Station and Force Main (Phase 3C)																											
Probable Construction Estimate											\$2,605,500																
Construction Phase Services											\$195,400																
Total Phase 3C											\$2,800,900																
LTCP/CSO Plant 2 Revisions (Phase 4)																											
Probable Construction Estimate														\$1,405,800													
Construction Phase Services														\$105,400													
Total														\$1,511,200													
Total Project Cost	\$9,948,400	\$19,995,000	\$16,712,400					\$4,908,100		\$3,739,200		\$2,800,900		\$1,511,200													
STAG Grant	\$481,100																										
City of Pekin Stag Grant Matching Funds	\$393,630																										
SRF Loan Forgiveness		\$2,500,000																									
Total Grant Adjusted Project Cost	\$9,073,700	\$17,495,000	\$16,712,400					\$4,908,100		\$3,739,200		\$2,800,900		\$1,511,200													
Pekin Reserve Funds \$2M (Applied to P1 Const) less STAG matching	\$1,606,370																										
Reserve funds (\$1.2 M)		\$1,200,000																									
(Applied to Ph 2 design)		\$910,000																									
Total Financed Project Cost	\$7,467,330	\$17,205,000	\$16,712,400					\$4,908,100		\$3,739,200		\$2,800,900		\$1,511,200													
Semi-Annual Municipal Bond Re-Payments at 3.3% Interest for Phase 1	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000	\$245,000		
Semi Annual Loan Re-Payments at 1.25% Interest for Phase 2A				\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800	\$488,800		
Semi Annual Loan Re-Payments at 2.5% Interest for Phase 2B					\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000	\$536,000		
Annual Loan Cost	\$245,000	\$490,000	\$490,000	\$1,467,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,539,600	\$2,049,600	\$2,049,600	\$2,049,600	\$1,072,000		
Loan Reserve Contingency Required (25%) Cash Reserve	\$61,300	\$122,500	\$122,500	\$366,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$634,900	\$512,400	\$512,400	\$512,400	\$268,000		
Estimated Annual Operations, Maintenance and Repair	\$1,846,800	\$1,947,500	\$1,998,100	\$2,426,800	\$2,489,900	\$2,554,600	\$2,621,100	\$2,689,200	\$2,938,700	\$3,015,100	\$3,093,400	\$3,173,900	\$3,256,400	\$3,341,100	\$3,427,900	\$3,517,100	\$3,608,500	\$3,702,300	\$3,798,600	\$3,897,300	\$3,998,700	\$4,102,600	\$4,209,300	\$4,318,800	\$4,431,000		
NPDES Permit Modification	\$25,000	\$25,000																									
PH3 ROW Aquisition		\$50,000																									
SRF Pre-Financed Ph 3/4 LTCP Improvements Design				\$634,200	\$634,200																						
Design Fee Reimbursement			\$910,000	\$910,000																							
Excess Revenue/Shortfall from Prior Year		\$321,900	\$586,500	\$2,265,000	\$2,234,000	\$649,500	\$687,500	\$1,975,300	\$261,300	\$3,205,900	\$2,078,200	\$4,362,500	\$3,362,900	\$4,699,300	\$4,076,500	\$4,533,000	\$4,572,500	\$4,396,000	\$4,003,600	\$3,514,900	\$2,927,500	\$2,851,200	\$2,671,000	\$2,264,400	\$2,853,100		
Total Annual Costs	\$2,178,100	\$2,313,100	\$1,114,100	\$1,720,500	\$4,064,600	\$5,079,600	\$5,108,100	\$8,796,500	\$5,851,900	\$6,722,900	\$4,189,700	\$4,786,800	\$3,068,000	\$3,327,500	\$2,525,900	\$2,158,600	\$2,210,500	\$2,480,800	\$2,969,500	\$3,556,900	\$3,633,200	\$3,813,400	\$4,100,300	\$3,394,400	\$1,577,900		
	0.00%	20.00%	20.00%	20.00%	22.00%	25.00%	25.00%	30.00%	0.00%	-3.00%	-3.00%	-5.00%	-5.00%	-5.00%	-5.00%	-5.00%	-2.00%	-2.00%	0.00%	0.00%	0.00%	0.00%	-2.00%	-2.00%	-25.00%		
user rate adjustment	\$1.99	\$2.39	\$2.87	\$3.44	\$4.20	\$5.24	\$6.56	\$8.52	\$8.52	\$8.27	\$8.02	\$7.62	\$7.24	\$6.87	\$6.53	\$6.20	\$6.08	\$5.96	\$5.96	\$5.96	\$5.96	\$5.84	\$5.72	\$4.29			
Suggested Average Residential User Rate	\$14.94	\$17.33	\$20.19	\$23.63	\$28.17	\$34.46	\$42.33	\$54.13	\$54.13	\$52.60	\$51.11	\$48.70	\$46.42	\$44.25	\$42.18	\$40.22	\$39.48	\$38.75	\$38.75	\$38.75	\$38.75	\$38.04	\$37.34	\$28.75			
Revenue Excess/Shortfall (applied to following year)	\$321,900	\$586,500	\$2,265,000	\$2,234,000	\$649,500	\$687,500	\$1,975,300	\$261,300	\$3,205,900	\$2,078,200	\$4,362,500	\$3,362,900	\$4,699,300	\$4,076,500	\$4,533,000	\$4,572,500	\$4,396,000	\$4,003,600	\$3,514,900	\$2,927,500	\$2,851,200	\$2,671,000	\$2,264,400	\$2,853,100	\$3,233,200		

Pekin WWTP and Funding Schedule Analysis		WWTP Phase 1 Funded 2010																								
without any loans for final phases		WWTP Phase 2A/B and On-Site CSO/LTCP Improvements Funded 2011 and 2012																								
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Probable Costs taken from 2009 Facilities Planning Report and Long Term Control Plan Report. A 2.6% Inflation is assumed for each year beginning in 2010.							Current O&M Expenses		\$1,800,000																	
							Estimated Expenses by 2029		\$3,897,300																	
							Net estimated operating Expense Increase		\$2,097,300																	
STAG Grant \$481,000. Total project with 55% matching = \$874,727. 5 Year Deadline July 2011. Matching Funds (\$847,727 - \$481,100) = \$393,627							2000 Census Median Household Income (MHI)		\$37,972																	
							2010 Adjusted MHI at 2.6% average inflation		\$49,084																	
							Total projected WWTP and CSO cost		\$3,556,900																	
							Estimated Residential Share at 86% of Total		\$3,058,934																	
							Total number of serviced Households		\$12,000																	
							Estimated Cost per Household		\$255																	
							Annual projected WWTP and CSO cost per Household as a % of adjusted Median Household Income		0.52%																	
Municipal Bond Repayment incurred at issuance																										
SRF Loan Re-Payment begins after construction completion. Design, planning, permitting services funded by City prior to loan approval. Design services included in loan.																										
25% Loan forgiveness up to \$2.5M in FY 2011 with 1.25% Interest. 2.5% SRF rate assumed for following years																										
Current Sewer Fund Revenue (2009) \$2,500,000/yr																										
12,000 Residential services; 100 Commercial/Industrial; Federal Corrections Center; and City of North Pekin																										
Flat Rate at \$3 plus \$1.99/100 gal. Typical residential service using 6000 gal/mo = \$14.94.																										

* Rate estimates are for initial anticipated rate impact analysis and are not intended to serve as the basis for a Sewer service rate adjustment. A Municipal Rate Study is required for this purpose that must also account for reserve contingency funds (25% estimated) as required under the terms of the Municipal bond and Low interest Loan Agreements. The City will have to document and provide verification of a dedicated source of revenue for the low interest (Federal) loan components of the project with associated municipal ordinances approved and submitted prior to loan authorization.



REQUEST FOR COUNCIL ACTION

To: Council Members

CC: Dennis Kief, Sue McMillan, Angie Evans, & City Attorney

From: Joe Wuellner

AGENDA ITEM: Amend the User Fee for Sanitary Sewer

AGENDA DATE REQUESTED: August 2, 2010

ACTION REQUESTED: Approve the recommended annual adjustments for the Sanitary User Fee.

BACKGROUND: A Sanitary User Fee was established and implemented in 1986 to cover the costs to operate the waste water treatment facility and maintain the sewer lines throughout the town. At that time there were improvements being made and the fee was set to recover the cost of this work. Once the work was completed the fee was lowered and not addressed again until 2003 when it had to be raised due to the Sewer Fund ending up in the red. With the work now scheduled and additional work planned, the sewer user fee needs to be adjusted again to cover the costs. While we are hoping to get low interest loans for the work from the IEPA, these are not guaranteed and the work still must be done to meet the requirements of the Pollution Control Board (PCB) order addressing the plant and the Long Term Control Plan (LTCP) for the combined sewer outfalls (CSO) stated in the permit.

Attached is a spreadsheet that I have worked on for this project from many different possibilities to determine user fee rates. This one is the one that will provide us with the funding to do all of the work on the CSO portions without having to secure loans. I have done this since there is a possibility that some of the project work may be able to be cut back in scope once we see how the new plant will operate and handle the increased storm flows. The schedule shows that while the impact on the users is initially large it starts to drop sooner than ones that show having to get loans for the CSO projects based on the estimates at this time.

I am recommending that the fee schedule for the next 5 years be approved since this will cover the cost of the plant upgrade and expansion projects with allowing time to assess the effectiveness of the plant to handle storm events. Once that has been done we will be able to determine the next steps necessary to address the CSO flows that are still going to the river. The rates proposed are as follows and include the \$3.00 minimum:

May 1, 2011 - \$2.39 per 1000 gallons; May 1, 2012 - \$2.87 per 1000 gallons; May 1, 2013 - \$3.44 per 1000 gallons; May 1, 2014 - \$4.20 per 1000 gallons; and May 1, 2015 - \$5.24 per 1000 gallons.

FINANCIAL IMPACT: Increased fee will impact all users according to the amount of water that they use.

NEIGHBORHOOD CONCERNS: May/will cause hardships on certain users depending on their income or usage amounts.

IMPACT IF APPROVED: Money will be brought in to cover the expense of the required plant upgrades and expansion to meet permit and PCB order.

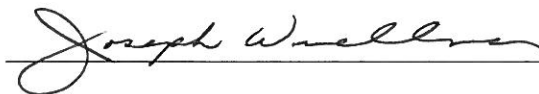
IMPACT IF DENIED: Money will not be brought in sufficiently to cover the cost of the projects. Projects may have to be stopped which will result in failure to meet required deadlines which will bring notices of violations and subsequent penalties.

ALTERNATIVES: None

RELATIONSHIP TO THE CONCEPTUAL PLANNING PROCESS: Strong Foundation, Quality of Life, and Safe community

REQUIRED SIGNATURES

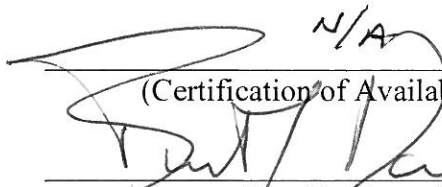
Department Director



7/28/10

Date

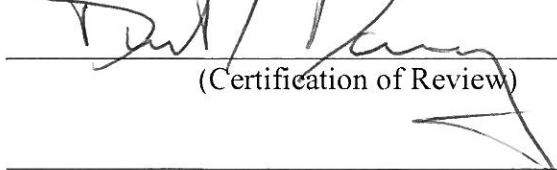
Finance Department

N/A


(Certification of Availability of Funds)

Date

Corporation Counsel



(Certification of Review)

7/28/10

Date

City Manager



Date

Wuellner, Joe

From: Wuellner, Joe
Sent: Wednesday, July 28, 2010 11:52 AM
To: Council Members
Cc: Kief, Denny; McMillan, Sue; Wolf, Jim; Evans, Angie
Subject: Sewer User Fee
Attachments: RFCA user fees 080210.doc; Funding Analysis wo-loans 072210.xlsx

Categories: Red Category

Attached is the Request for Council Action for the recommended increases to the sewer user fee. I have given the basic background information on the implementation of the fee and what I am recommending be done in the RFCA. The highlighted area covers the five years that I mentioned.

Further though, I would like to give my responses to the email from Mr. Mangan. He seems concentrated on charging by the household/meters with everyone paying the same monthly rate. Doing it this way means that places like the hospital, the industrial facilities, the large stores, etc. would pay the same monthly rate as the average homeowner which is extremely unfair. In essence, a homeowner who uses the average 6,000 gallons ends up paying the same as a business/industry user who use 100,000 or more. Where is the equity in that arrangement? The way our fee system is set up, the user is charged based on the amount of water they use that ends up at the plant for treatment.

As for the story in the paper where the owner stated that his water is filtered and clean, that only removes the dirt and oil that is washed off the vehicles that pass through his facility but does not take out the soaps, waxes, and other chemical components in the water that has to be treated before it can go out to the river.

The proposed rates distribute the costs equitably among that users of the system. To treat one group differently than another is only moves the burden to the other group. I realize that this is going to impact many people here for a number of years but this is something that has just come up. We have been talking about this for over 5 to 6 years now and while the end product has changed due to new requirements and regulations the fact that it has to be done hasn't. We are now faced with the unpleasant task of doing the work and paying for it. There is no easy way to go about it but it is our job none the less to get this completed so we can continue to provide the citizens and businesses of our community with a waste water treatment facility that meets all federal and state regulations, allows for continued growth, and reduces the environmental impact on the Illinois River.

As always, if you have any questions please get in touch with me.

Sincerely,

Joseph W. Wuellner, P.E.
City of Pekin
Public Works Director
(309)477-2300

ORDINANCE NO. 2624-10/11

AN ORDINANCE AMENDING TITLE 4, CHAPTER 4, ARTICLE C SECTION 2-4, 2-5, AND 4 OF THE CODE OF THE CITY OF PEKIN 1995 REGARDING SEWER USER CHARGES

WHEREAS, the Code of the City of Pekin 1995 was adopted on April 10, 1995, and duly published in book form; and

WHEREAS, the City of Pekin is a home rule municipality as described in Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, and as such may exercise any power and function pertaining to its government and its affairs; and

WHEREAS, the City of Pekin has maintained or decreased the Local Capital Cost Charge consisting of the Debt Service Charge, the Capital Improvement Charge and the Minimum Charge over the past twenty-four years; and

WHEREAS, the City Council has determined that the treatment plant must now be improved and expanded in order to provide quality service to the City; and

WHEREAS, the City Council has estimated the annual cost of improvements and expansion of the treatment plant; and

WHEREAS, the City Council has determined that the appropriate method of defraying the costs of improvements and expansion is to adjust the Volumetric Rate and the Surcharge Rate for wastewater facilities in the City; and

WHEREAS, the City Council has determined that it is in the best interests of the City to amend the City Code regarding Sewer User Charges.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF PEKIN, ILLINOIS:**

1. That Title 4, Chapter 4C, Section 2-4, paragraph two, be amended by changing the volumetric rate as follows:

A volumetric rate of two dollars thirty-nine cents (\$2.39) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2011.

A volumetric rate of two dollars eighty-seven cents (\$2.87) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2012.

A volumetric rate of three dollars forty-four cents (\$3.44) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2013.

A volumetric rate of four dollars twenty cents (\$4.20) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2014.

A volumetric rate of five dollars twenty-four cents (\$5.24) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2015.

2. That Title 4, Chapter 4C, Section 2-5 be amended by changing the surcharge rate as follows:

Per lb. of BOD:	\$0.40
Per lb. of SS:	\$0.25

3. That Title 4, Chapter 4C, Section 4 be deleted in its entirety and amended by changing the

EFFECTIVE DATE OF RATES to read as follows:

EFFECTIVE DATE OF RATES: The rates and service charges established for user charges in Sections 4-4C-2-4 and 4-4C-2-5 are effective as of May 1, 2011 and all other effective dates remain in full force and effect. (Ord. No. 2344 10-27-03)

BE IT FURTHER ORDAINED that all other parts of the Code of the City of Pekin 1995 as amended except as modified herein are hereby reaffirmed and ratified and are in full force and effect.

BE IT FURTHER ORDAINED that all Ordinances or parts of ordinances in conflict herewith are hereby repealed.

BE IT FURTHER ORDAINED that this Ordinance shall be in full force and effect upon its passage and approval and publication as required by law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Pekin, this ____ day of _____, 2010; and upon roll call the vote was as follows:

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAINING: _____

APPROVED this ____ day of _____, 2010.

MAYOR

ATTEST:

CITY CLERK

CHAPTER 4
SEWER REGULATIONS
ARTICLE C. SEWER USER CHARGES

SECTION:

- 4-4C-1: Definitions
- 4-4C-2: Wastewater Service Charges
 - 4-4C-2-1: Basis for Wastewater Service Charges
 - 4-4C-2-2: Measurement of Flow
 - 4-4C-2-3: Debt service Charge
 - 4-4C-2-4: Volumetric Rate
 - 4-4C-2-5: Surcharge Rate
 - 4-4C-2-6: Computation of Surcharge
 - 4-4C-2-7: Computation of Wastewater Service Charge
- 4-4C-3: General Provisions
 - 4-4C-1-1: Bills
 - 4-4C-1-2: Lien Notice of Delinquency
 - 4-4C-1-3: Enforcement of Lien
 - 4-4C-1-4: Revenues
 - 4-4C-1-5: Accounts
 - 4-4C-1-6: Notice of Rates
 - 4-4C-1-7: Access to Records
 - 4-4C-1-8: Collection
- 4-4C-4: Effective Date of Rates
- 4-4C-5: Service Disconnections
- 4-4C-6: Appeals

4-4C-1: **DEFINITIONS:** Unless the context specifically indicates otherwise, the meaning of terms used in this Article shall be as follows:

CHARGES, TYPES OF:

Capital Improvement Charge: A charge levied on users, when the Council deems it necessary, for capital improvement costs.

Debt Service Charge: The amount to be paid each billing period for payment of interest, principal and coverage of (loan, bond, etc.) outstanding.

Local Capital Cost Charge: Charges for costs other than the operation, maintenance and replacement costs, i.e., debt service and capital improvement costs.

Replacement: Expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the treatment works to maintain the capacity and performance for which such works were designed and constructed. The term "operation and maintenance" included replacement.

Sewerage Fund: The principal accounting designation for all revenues received in the operation of the sewerage system.

Surcharge: The assessment in addition to the Volumetric charge and debt service charge which is levied on those persons whose wastes are greater in strength than the concentration values established in Section 4-4C-2.

Useful Life: The estimated period during which the collection system and/or treatment works will be operated.

Volumetric Charge: A charge levied on users of the treatment works for the cost of operation, maintenance and replacement.

Wastewater Service Charge: The charge per quarter or month levied on all users of the wastewater facilities. The service charge shall be computed as outlined in Section 4-4C-2 and shall consist of the total of the Volumetric charge, the local capital cost charge and a surcharge, if applicable.

CLARIFICATION OF WORD USAGE: "Shall" is mandatory; "may" is permissible.

LOCAL GOVERNMENT:

Ordinance: This Ordinance.

PERSON: Any and all persons, natural or artificial, including any individual, firm, company, municipal or private corporation, association, society, institution, enterprise, governmental agency or other entity.

SEWER TYPES AND APPURTENANCES:

Public Sewer: A sewer provided by or subject to the jurisdiction of the City. It shall also include sewers within or outside the City boundaries that serve one or more persons and ultimately discharge into the City sanitary (or combined) sewer system, even though those sewers may not have been constructed with City funds.

Sewer: A pipe or conduit for conveying sewage or any other waste liquids, including storm, surface and ground water drainage.

Sewerage: The system of sewers and appurtenances for the collection, transportation and pumping of sewage.

STATE GOVERNMENT: State Grant: The State of Illinois' participation in the financing of the construction of treatment works as provided for by the Illinois Anti-Pollution Bond Act (30 ILCS 405/1 et seq.) and for making such grants as filed with the Secretary of State of Illinois.

USER TYPES:

Commercial User: Transit lodging, retail and wholesale establishments or places engaged in selling merchandise or rendering services.

Industrial Users: Establishments engaged in manufacturing activities involving the mechanical or chemical transformation of materials of substance into products.

Institutional/Governmental User: Schools, churches, penal institutions and users associated with Federal, State and local governments.

Residential User: All monthly-billed dwelling units such as houses, mobile homes, permanent multi-family dwellings.

User Class: The type of user, "residential, institutional/governmental, commercial", or "industrial", as defined herein.

WASTEWATER AND ITS CHARACTERISTICS:

BOD (denoting biochemical oxygen demand): The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at twenty degrees (20) centigrade, expressed in milligrams per liter.

Industrial Waste: Any solid, liquid or gaseous substance discharged, permitted to flow or escaping from any industrial, manufacturing, commercial or business establishment or process or from the development, recovery or processing of any natural resource as distinct from sanitary sewage.

Sewage: Is used interchangeably with "wastewater".

Suspended Solids (SS): Solids that either float on the surface of, or are in suspension in water, sewage or industrial waste, and which are removable by a laboratory filtration device. Quantitative determination of suspended solids shall be made in accordance with procedures set forth in the IEPA Division of Laboratories' "Manual of Laboratory Methods".

Wastewater: The spent water of a community. From this standpoint, of course, it may be a combination of the liquid and water-carried wastes from residences, commercial buildings, industrial plants and institutions, together with any ground water, surface water and storm water that may be present.

WASTEWATER FACILITIES: The structures, equipment and processes required to collect, carry away and treat domestic and industrial wastes and transport effluent to a watercourse.

4-4C-2: **WASTEWATER SERVICE CHARGES:**

4-4C-2-1: **BASIS FOR WASTEWATER SERVICE CHARGES:**

- A. Wastewater Service Charge: The wastewater service charge for the use of and for service supplied by the wastewater facilities of the City shall consist of a Volumetric charge for operation and maintenance plus replacement (OM&R), applicable surcharges, and a local capital cost charge composed of a debt service charge and a capital improvement charge.
- B. Debt Service Charge: The debt service charge shall be computed by dividing the annual debt service for all outstanding wastewater bonds (less any capital improvement charge imposed) by the number of users. Through further divisions, the monthly and/or quarterly debt service charges can be computed.
- C. Volumetric Charge:
 - 1. The Volumetric charge shall be based on water usage as recorded by water meters and/or sewage meters for wastes having the following normal domestic concentrations:

a. A five (5) day, twenty degree (20) centigrade biochemical oxygen demand (BOD) of two hundred (200) mg/l.

b. A suspended solids (SS) content of 250 mg/l.

2. The Volumetric charge shall consist of operation and maintenance costs plus replacement and shall be computed for all users except North Pekin as follows:

a. Estimate wastewater volume, pounds of SS and pounds of BOD to be treated.

b. Estimate the projected annual revenue required to operate and maintain the wastewater facilities, including a replacement fund for the year.

c. Proportion the estimated OM&R costs to each user class by volume, suspended solids and BOD.

d. Proportion the estimated operation, maintenance and replacement (OM&R) costs to wastewater facility categories by volume, suspended solids and BOD.

e. Compute costs per one thousand (1,000) gallons for normal sewage strength.

f. Compute surcharge cost per pound per one thousand (1,000) gallons in excess of normal sewage strength for BOD and SS.

D. Capital improvement Charge: The wastewater charge for the use of and for services supplied by the wastewater facilities of the City, which shall be computed based on usage, and the funds so generated shall be used for capital improvements.

E. Surcharge for Users with Excessive BOD and SS Concentrations: A surcharge will be levied to all users whose waters will be levied to all users whose waters exceed the normal domestic concentrations of BOD (200 mg/l) and SS (250 mg/l). The surcharge will be based on water usage as recorded by water meters and/or sewage meters for all wastes which exceed the two hundred (200) mg/l and two hundred fifty (250) mg/l concentration for BOD and SS respectively. Section 4-4C-2-6 specifies the procedure to compute a surcharge.

- F. Village of North Pekin: The Village of North Pekin will be billed in accordance with the requirements of the most recent contractual agreement with the City of Pekin regarding wastewater services.
- G. Annual Review: The adequacy of the wastewater service charge shall be reviewed, not less often than annually, at the same time and as part of the annual audit report to the City. The wastewater service charge shall be revised periodically to reflect a change in local capital costs or a change in operation and maintenance costs, including replacement costs.

The users of wastewater treatment services will be notified annually of the rate and that portion of the user charges which are attributable to the wastewater treatment operation, maintenance and replacement.

4-4C-2-2: **MEASUREMENT OF FLOW:** The volume of flow used for computing Volumetric charges and surcharges shall be the metered water consumption read to the lowest even increments of one thousand (1,000) gallons, unless the user qualifies for nine (9) month averaging (as defined below) or a separate wastewater meter or water meter has been installed in conformance with the requirements of the City.

- A. If the user discharging wastes into the public sewers procures any part, or all, of his water from sources other than the Illinois-American Water Company - Pekin Park District, all or a part of which is discharged into the public sewers, said user may be required by the City to install and maintain, at his expense, water meters of a type approved by the Illinois-American Water Company - Pekin Park District for the purpose of determining the volume of water obtained from these other sources.
- B. Devices for measuring the volume of waste discharged may be required by the City if these volumes cannot otherwise be determined from the metered water consumption records.
- C. An additional water meter may be installed in a user's home plumbing at the user's expense if a user desires to distinguish between the water usage that enters the sewer system from that portion of water usage which is used for such purposes as lawn watering, swimming pools, etc. Where the water does not enter the sewer system, the meter must be installed so water going through the "nonsewered" meter cannot be returned to the sewer.

Upon installation, a City inspector will examine the installation for conformance to this requirement. Periodic checks will be made by the City inspector to assess the adequacy of the installation and verify the reported meter readings.

- D. Metering devices, including additional water meters, for determining the volume of waste shall be installed, owned and maintained by the user discharging wastes into the public sewers. Following approval and installation, such meters may not be removed, unless service is cancelled, without the consent of the City.
- E. "Seven (7) month averaging" will only be allowed for those monthly customers classified as residential. The usage from the months of October through April will be averaged, and the lesser of this average or the actual metered usage during the summer billing period will be the amount charged for the summer billing period. If a customer has not been serviced for a full seven (7) month period, the Wastewater Billing Department shall estimate the amount based on historical and/or compatible usage. (Ord. No. 2444 09-12-05).

4-4C-2-3: **LOCAL CAPITAL COST CHARGE:** the Local Capital Cost Charge shall consist of the Debt Service Charge, the Capital Improvement Charge and the Minimum Charge. (Ord. No. 2344 10-27-03).

A. **DEBT SERVICE CHARGE:** A minimum debt service charge of zero dollars (\$0.00) per month to each user of the wastewater facility is hereby established. Any resident of the City who operates and maintains an individual septic tank system shall be charged the Debt Service Charge.

B. **CAPITAL IMPROVEMENT CHARGE:** There is a minimum capital improvement charge of zero dollars (\$0.00) per month to each user of the wastewater facility of the City. (Ord. No. 2344 10-27-03).

C. **MINIMUM CHARGE:** There shall be and there is hereby established a minimum charge of three dollars (\$3.00) per month to each user of wastewater facility. (Ord. No. 2344 10-27-03).

4-4C-2-4: **VOLUMETRIC RATE:** There shall be and there is hereby established a volumetric rate for the use of and for service supplied by the wastewater facilities of the City.

~~A volumetric rate of one dollar ninety-nine cents (\$1.99) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City.~~

A volumetric rate of two dollars thirty-nine cents (\$2.39) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2011.

A volumetric rate of two dollars eighty-seven cents (\$2.87) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2012.

A volumetric rate of three dollars forty-four cents (\$3.44) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2013.

A volumetric rate of four dollars twenty cents (\$4.20) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2014.

A volumetric rate of five dollars twenty-four cents (\$5.24) for one thousand (1,000) gallons of metered water consumption shall be applied to all users of the wastewater facilities of the City May 1, 2015.
(Ord. No. 2624 08-02-10)

All nonmetered residential users of the wastewater facilities shall pay a minimum flat rate charge of three dollars (\$3.00) per month.
(Ord. No. 2344 10-27-03)

Any resident of the City who currently operates and maintains on individual septic tank system shall be exempt from the volumetric charge.

4-4C-2-5: **SURCHARGE RATE:** The rates of surcharges for BOD and SS shall be as follows:

Per lb. of BOD:	\$0.30	\$0.40
Per lb. of SS:	\$0.20	\$0.25

(Ord. No. 2344 10-27-09)
(Ord. No. 2624 08-02-10)

4-4C-2-6: **COMPUTATION OF SURCHARGE:** The concentration of wastes used for computing surcharges shall be established by waste sampling. Waste sampling shall be performed as often as may be deemed necessary by the City of Pekin and shall be binding as a basis for surcharges.

4-4C-2-7: **COMPUTATION OF WASTEWATER SERVICE CHARGE:** The wastewater service charge shall be computed by the following formula:

$$CW = CD + (VU) CU + CS + CC + MC$$

Where CW=Amount of wastewater service charged (\$) per billing period

Where CD=Debt service charge (Section 4-4C-2-3)

Where VU=Volume of wastewater for the billing period (Section 4-4C-2-2)

Where CU=Volumetric rate for operation, maintenance and replacement
(Section 4-4C-2-4)

Where CS=Amount of surcharge (Sections 4-4C-2-5 and 4-4C-2-6)

Where CC=Capital improvement charge (Section 4-4C-2-3)

Where MC = Minimum Charge (Section 4-4C-2-3)
(Ord No. 2344 10-27-09)

4-4C-3: **GENERAL PROVISIONS:**

4-4C-3-1: **BILLS:** Said rates or charges for service shall be payable monthly or monthly depending on the classification of service for which bills are rendered. The owner of the premises (including the beneficiary of any land trust which owns the premises), the occupant thereof and the user of the service to such premises and the service is furnished to the premises by the City only upon the condition that the owner of the premises, occupant and user of the services are jointly and severally liable therefor to the City.

Bills for sewer service shall be sent out by the City, or its designated agent, during the month or quarter during which the service is rendered or during the succeeding month.

It shall be the policy of the City of Pekin to send bills for sewer service only to the record owner of the real estate except that the City of Pekin shall have the authority to make reasonable exceptions to this policy.

All sewer bills are due and payable twenty one (21) days after being sent out for those users in the residential class and ten (10) days after being sent out for those users in the commercial class, and upon nonpayment within the time period allowed a service charge for late payment shall be assessed of one and one-half percent (1.5%) per month on the unpaid balance or eighty five cents (\$0.85) per month, whichever is greater.

4-4C-3-2: **LIEN NOTICE OF DELINQUENCY:** Whenever a bill for sewer service remains unpaid for forty five (45) days for monthly service or sixty five (65) days for monthly service after it has been rendered, the City Director of Finance shall file with the County Recorder of Deeds a statement of lien claim. This statement shall contain the legal description of the premises and/or current address of the premises served, the amount of the unpaid bill and a notice that the City claims a lien for this amount as well as for all charges subsequent to the period covered by the bill.

4-4C-3-3: **ENFORCEMENT OF LIEN:** If payment shall not be made for charges as provided in this ordinance, any amount due for sewage service, additional charges, or benefits when the same come due, the City may, as provided by the Illinois Compiled Statutes, 65 ILCS 5/11-141-7, foreclose such lien in like manner and with like effect as in the foreclosure of mortgages on real estate. In the alternative, and also pursuant to the Illinois Compiled Statutes, 65 ILCS 5/11-141-7, the City may, in its discretion, file suit to collect such amounts as are delinquent and due against the occupant or user of the real estate in a civil action, and shall collect, as well, all attorney's fees incurred by it, the same to be fixed by order of the court.

4-4C-3-4: **REVENUES:** All revenues and moneys derived for the operation of the sewage system shall be deposited in the sewerage account of the Sewerage Fund. All such revenues and monies shall be held by the City Director of Finance separate and apart from his private funds and separate and apart from all other funds of the City and all of said sum, without any deductions whatever, shall be delivered to the City Director of Finance not more than ten (10) days after receipt of the same, or at such more frequent intervals as may from time to time be directed by the City Manager.

The City Director of Finance shall receive all such revenues from the sewerage system and all other funds and monies incident to the operation of such system as the same may be delivered to him and deposit the same in the account of the fund designated as the "Sewerage Fund of the City". Said Director of Finance shall administer such fund in every respect in the manner provided by statute of the "Revised Cities and Villages Act" (65 ILCS 5/11-141-18.)

4-4C-3-5: **ACCOUNTS:** The City Director of Finance shall be responsible for establishing a proper system of accounts and shall keep proper books, records and accounts in which complete and correct entries shall be made of all transactions relative to the sewerage system, and at regular annual intervals, he shall cause to be made an audit by an independent auditing concern of the books to show the receipts and disbursements of the sewerage system.

In addition to the customary operating statements, the annual audit report shall also reflect the revenues and operating expenses of the wastewater facilities, including a replacement cost, to indicate that sewer service charges under the waste cost recovery system and capital amounts required to be recovered under the industrial cost recovery system do in fact meet these regulations. In this regard, the financial information to be shown in the audit report shall include the following:

- A. Flow data showing total gallons received at the wastewater plant for the current fiscal year.
- B. Billing data to show total number of gallons billed per fiscal year.
- C. Debt service for the next succeeding fiscal year.
- D. Number of users connected to the system.
- E. Number of nonmetered users.
- F. A list of users discharging nondomestic and industrial wastes and volume of waste discharged.

4-4C-3-6: **NOTICE OF RATES:** Users of the sewerage system will be notified by the City of the rates and that portion of the user charges which are attributable to wastewater treatment service, including the financial information of Section 4-4C-3-5.

4-4C-3-7: **ACCESS TO RECORDS:** The Illinois Environmental Protection Agency or its authorized representative shall have access to any books, documents, papers and records of the City which are applicable to the City's system of user charges or industrial cost recovery for the purpose of making audit, examination, excerpts and transcriptions thereof to insure compliance with the terms of the special and general conditions to any State grant.

4-4C-3-8: **COLLECTION:** The Director of Finance or other designated administrator of the City Wastewater Division shall assure that every effort is made to collect all sums that become due and owing to the City under this Article. In addition to the provisions of Section 4-4C-3-3 hereof and to the provisions of Section 4-4C-5 of this Article, the designated administrator of the Wastewater Division shall establish consistent procedures for the collection of sums that become due and owing under this Article. Such procedures may include the use of commercial collection agencies or other parties.

Additionally, the Director of Finance or other designated administrator shall report on a periodic basis to the City Director of Finance as to the amount and nature of all accounts due the City under this Article.

~~4-4C-4: **EFFECTIVE DATE OF RATES:** Effective December 1, 2002, all users shall be billed on a monthly bases. The rates and service charges established for user charges in Sections 4-4C0203 through 4-4C-2-7 are effective as of December 1, 2003. (Ord. No. 2344 10-27-03).~~

4-4C-4: EFFECTIVE DATE OF RATES: The rates and service charges established for user charges in Sections 4-4C-2-4 through 4-4C-2-5 are effective as of May 1, 2011. All other effective dates remain in full force and effect (Ord. No. 2344 10-27-03) (Ord. No. 2624 08-02-10)

4-4C-5: SERVICE DISCONNECTION; NONPAYMENT OF BILL:

- A. If the charges for the sewerage service of the City shall remain unpaid until the 10th day of the month next following the due date of the bill, the Code enforcement officer may elect to commence procedures resulting in termination of sewer service by notifying such customer in writing by certified or registered mail, return receipt requested or personal delivery, that said sewer service will be terminated. Said notice shall also specifically inform such user of the following:
1. The user may contact the Code Enforcement Officer to request a hearing on the matter; and
 2. The said request must be made within three (3) days of the receipt of said termination notice; and
 3. If said request is made, a hearing will be held within ten (10) days of the receipt of said delinquent notice; and
 4. The service will be discontinued within ten (10) days of the receipt of said notice if no request for a hearing is made.
- B. The Code Enforcement Officer shall advise anyone making a request for such a hearing of the time, place and date of hearing at such time said request is made.
- C. If the findings at said hearing are adverse to the user, said decision shall be reduced to writing, with a copy thereof to be forwarded to said user, by certified or registered mail, return receipt requested, or personal delivery. Said decision should also contain the date on which service to the user in question will be discontinued.
- D. In the event sewerage service has been discontinued due to nonpayment of bills, then such sewer service shall not be reconnected until all outstanding bills for sewerage service to the property have been paid in full and the cost incurred by the City as a result of the discontinuance and reinstatement of said service has been paid in full.

- E. The person serving as Code Enforcement Officer shall serve as hearing officer for any hearings which may be held under this Section. In the event said person is unable to serve as said hearing officer, then the City Council shall designate an written appeal outlining the discrepancies. alternate hearing officer for any such hearings.

4-4C-6: **APPEALS:** The method of computation of rates and service charges established for user charges in Sections 4-4C-2-1 through 4-4C-2-6 shall be made available to a user within thirty (30) days of receipt of a written request for such. Any disagreement over the method used or in the computations thereof shall be remedied by the City within sixty (60) days after notification of a formal