

ORDINANCE 2505-25

**AN ORDINANCE AUTHORIZING THE VILLAGE OF HAWTHORN WOODS TO
COMMIT FUNDS FOR CAPITAL EXPENDITURES**

WHEREAS, the Village of Hawthorn Woods, Lake County, Illinois (the “Village”) is an Illinois unit of local government organized and operating under the Illinois Municipal Code, as amended and supplemented; and

WHEREAS, the Village is subject to the financial reporting guidelines promulgated by the Government Accounting Standards Board (GASB), including but not limited to GASB Standard 54 related to the establishment of a fund balance policy and the reporting of fund balances according to such policy;

WHEREAS, the Village has heretofore adopted a fund balance policy by Village Board approval during the March 27, 2023 Village Board Meeting;

WHEREAS, by enacting Ordinance No. 2412-24 the Village has heretofore adopted a five-year capital improvement plan that provides an estimated schedule for acquisition, replacement, maintenance and repair of the Village’s capital assets; and

WHEREAS, the corporate authorities now wish to commit certain fund balances in the General Fund and Sewer Fund for capital expenditure purposes and to provide for a predictable source of revenue to pay for the implementation of the capital improvement plan.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Trustees of the Village of Hawthorn Woods, Lake County, Illinois, as follows:

1. Recitals. The Board finds the foregoing recitals to represent a complete and accurate description of the purpose of this ordinance and incorporates them as part of this ordinance as though fully set forth herein.

2. Fund Balances. The Board hereby commits and appropriates the following fund balances in the manner described below:

A. General Fund. From the unassigned or assigned fund balance in the General Fund the Board commits and appropriates funds allocated to the Capital Improvement Fund (Exhibit A), approved through our current Fiscal Year budget by the Village Board, for capital improvement purposes, including but not limited to Village Hall interior and exterior improvements, financial system upgrade, and vehicles to update for Public Works and Police fleet.

B. Sewer Fund. From the unassigned or assigned fund balance in the Sewer Fund the Board commits and appropriates funds allocated in our Sewer Fund in relation to our most current sewer rate study (Exhibit B) for sewer purposes including but not limited to maintaining and replacing the Village's lift stations.

3. Accumulation of Funds. The Board hereby finds and declares that the portion of the General Fund and Sewer Fund balances hereby committed and appropriated shall not be devoted to general operating expenses and as a result should not be construed as surplus funds for the purpose of identifying an excess accumulation or excess tax rate in either fund.

4. Conflicts. All prior ordinances or administrative directives in express conflict with this ordinance are hereby superseded to the extent of such conflict.

5. Separability. It is the intent of the Village for each part and provision of this ordinance to be considered severable. In the event any part or provision of this ordinance, or any particular application thereof, is found to be unenforceable, it is the Village's intent for such finding to not affect the remainder of the ordinance and all other applications thereof to the fullest extent permitted by law.

SO RESOLVED this 23st Day of September, 2025.

AYES: KRISKE, LAMON, KUCHUK, DANIEL, MCCARTHY, HULST

NAYS: 

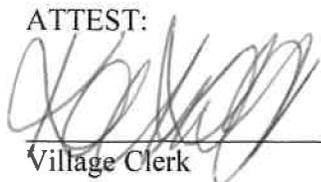
ABSENT: 

APPROVED:



Dominick DiMaggio, Mayor

ATTEST:



Village Clerk

GENERAL FUND

Revenues					Proposed	
Actual Fiscal	Actual Fiscal	Actual Fiscal	Budget Fiscal		2025	2026
Year Ended	Year Ended	Year Ended	Year Ended			
12/31/2021	12/31/2022	12/31/2023	12/31/2024			
				General Government		
4,134,062	4,739,535	4,775,624	4,963,283	Taxes	5,037,769	5,300,957
365,153	359,517	181,463	184,080	Licenses	182,275	182,275
120	1,740	220	-	Fees & Permits	180	180
59,623	1,257,871	71,933	70,000	Intergovernmental	67,000	70,000
265	13,674	62,340	3,500	Interest Income	50,000	45,000
10,477	9,858	47,626	11,219	Miscellaneous	15,719	15,719
				Parks & Recreation		
-	-	-	-	Administration	189,184	192,918
-	-	-	-	Recreation Programs	143,950	152,050
-	-	-	-	Maintenance	211,427	216,033
171,576	145,101	209,870	161,300	Police	240,800	176,300
2,038	5,407	2,177	-	Public Works	-	-
4,743,313	6,532,725	5,351,254	5,393,382	Total Revenues	6,138,304	6,351,432
Expenditures					Proposed	
Actual Fiscal	Actual Fiscal	Actual Fiscal	Budget Fiscal		2025	2026
Year Ended	Year Ended	Year Ended	Year Ended			
12/31/2021	12/31/2022	12/31/2023	12/31/2024			
2,068	912	1,550	3,315	Elected Officials	18,212	32,934
418,470	454,440	457,504	513,174	Administration	518,122	543,751
				Parks & Recreation		
-	-	-	-	Administration	230,212	240,450
-	-	-	-	Recreation Programs	86,979	91,720
-	-	-	-	Maintenance	537,566	569,026
280,997	256,252	236,371	247,750	Legal	247,150	243,230
44,383	47,312	48,576	55,105	Village Clerk	101,149	107,531
429,887	434,137	438,503	615,244	Risk Management	696,079	688,035
46,796	40,636	50,459	84,082	Human Resources	69,196	72,614
94,452	93,378	118,382	135,642	Technology	166,954	173,300
154,455	150,314	172,322	182,436	Finance	173,554	186,794
35,232	18,955	26,064	34,012	Engineering	35,036	36,255
1,754,846	1,792,629	1,972,135	1,983,626	Police	2,200,063	2,245,546
411,152	393,151	342,726	417,295	Police Pension Contribution	324,387	424,387
1,004	6,066	3,279	4,475	Police Commission	6,475	4,475
541,674	579,915	611,035	705,442	Public Works	691,238	764,595
4,215,406	4,268,097	4,478,906	4,981,597	Total Expenditures	6,102,372	6,424,642
				Excess (Deficiency) of Revenues		
527,907	2,264,630	872,348	411,785	Over Expenditures	35,932	(73,210)
-	-	-	-	Transfer to Parks & Rec	-	-
90,000	90,000	90,000	-	Transfer from Special Rec	-	-
-	10,050	-	-	Transfer from Other Funds	-	-
-	-	-	-	Transfer to Comm. Dev.	-	-
-	(150,000)	(330,000)	(60,000)	Transfer to C.I.P. Fund	(1,561,500)	-
(303,170)	(252,890)	(248,214)	(251,241)	Transfer to Sewer Fund	(30,000)	-
314,737	1,961,790	384,134	100,544	Net Change in Fund Balance	(1,555,568)	(73,210)
2,799,662	4,761,451	5,145,585	5,246,130	Fund Balance as of 12/31	3,690,561	3,617,352

CAPITAL IMPROVEMENT FUND

Revenues

Actual Fiscal Year Ended 12/31/2022	Actual Fiscal Year Ended 12/31/2023	Budget Fiscal Year Ended 12/31/2024		Proposed	
				2025	2026
-	-	-	Insurance Reimbursement	-	-
37,801	25,000	-	Intergovernmental	-	-
45	3,051	3,000	Interest	3,000	3,000
-	63,632	-	Donations	-	-
37,846	91,683	3,000	Total Revenues	3,000	3,000

Expenditures

Actual Fiscal Year Ended 12/31/2022	Actual Fiscal Year Ended 12/31/2023	Budget Fiscal Year Ended 12/31/2024		Proposed	
				2025	2026
85,775	502,610	179,750	Capital Outlay	433,598	1,582,769
85,775	502,610	179,750	Total Expenditures	433,598	1,582,769
15,000	330,000	60,000	Transfer from General Fund	1,561,500	-
-	-	-	Transfer from Community Dev	-	-
(32,929)	(80,927)	(116,750)	Net Change in Fund Balance	1,130,902	(1,579,769)
142,699	86,772	(29,978)	Fund Balance as of 12/31	1,100,924	(478,845)
			Assigned - Roads	-	-
			Assigned - Equipment Replace	-	-
			Assigned - ADA Projects	-	-
			Assigned - Bike Path Grant	-	-
			Assigned - Flood Remediation	-	-
			Assigned - Future Matching Grants	-	-
			Available Fund Balance	1,100,924	(478,845)

Significant Changes

• Each project has a detailed schedule that outlines the plan by significant category. The Village has insufficient available funding to meet its 5-year capital plan. A new sustainable revenue source must be implemented to adequately fund the capital plan.

Capital Improvement Plan Project	Fund	2025	2026	2027	2028	2029
Available Funding Sources:						
Interest Income		\$ 3,000	\$ 3,000	\$ 50	\$ 50	\$ 50
Transfer from Other Funds		\$ 1,561,500	\$ -	\$ -	\$ -	\$ -
Available Fund Balance		\$ (29,978)	\$ 1,100,924	\$ -	\$ -	\$ -
Total Available Funding		\$ 1,534,522	\$ 1,103,924	\$ 50	\$ 50	\$ 50

Capital Expenditures Needed:

ADMINISTRATION DEPARTMENT:

Special Census	CIP		\$ 134,000			
Totals		\$ -	\$ 134,000	\$ -	\$ -	\$ -

PLANNING, BUILDING & ZONING DEPARTMENT:

Office Expansion	Community Dev		\$ 28,000			
Comprehensive Plan Update	CIP		\$ 60,000	\$ 60,000		
Totals		\$ -	\$ 88,000	\$ 60,000	\$ -	\$ -

FINANCE DEPARTMENT:

None						
Totals		\$ -	\$ -	\$ -	\$ -	\$ -

Capital Improvement Plan
Project

Fund 2025 2026 2027 2028 2029

MUNICIPAL BUILDINGS

Village Hall Cedar Siding Replacement	CIP	\$ 150,000	\$ 108,000			
Aquatic Center Generator	CIP		\$ 89,858			
PW Parking Lot Improvement	CIP					\$ 217,410
PW Building Expansion	CIP			\$ 568,112		
Village Hall Door Replacement	CIP		\$ 12,603	\$ 14,566		
Village Hall Flooring Replacement	CIP		\$ 36,177	\$ 17,505		
Public Works Roof Replacement	CIP		\$ 318,270			
Public Works Gate North	CIP		\$ 22,289			
Public Works Shop Mezzanine	CIP		\$ 13,001			
Totals		\$ 150,000	\$ 600,198	\$ 600,183	\$ -	\$ 217,410

POLICE DEPARTMENT:

Vehicle Replacement	CIP/Police Fund	\$ 125,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Radar Trailer Replacement	CIP		\$ 25,000			
Police Body Cameras	CIP	\$ 20,500	\$ 20,500	\$ 20,600	\$ 20,700	\$ 20,800
Ballistic Vests and Rifle Plates	Grants					\$ 12,000
Ballistic Shields	Police Fund	\$ 7,000				
Totals		\$ 152,500	\$ 105,500	\$ 80,600	\$ 80,700	\$ 92,800

Capital Improvement Plan

Project Fund 2025 2026 2027 2028 2029

PUBLIC WORKS:

Trucks	CIP	\$ 150,000	\$ 220,000	\$ 50,000	\$ 223,040	
Enloader	CIP		\$ 140,000			
Dump Trailer	CIP		\$ 15,000			
Hot Box	CIP	\$ 15,000				
Sweeper Brush	CIP	\$ 10,100				
Totals		\$ 175,100	\$ 375,000	\$ 50,000	\$ 223,040	\$ -

PARKS:

Indian Creek Nature Preserve	Grants	5,300	\$ 7,500	\$ -	\$ -	\$ -
Village Hall ADA Ramp Replacement	Special Rec			\$ 152,670		
ADA Compliance Plan Implementation	Special Rec	\$ 128,000				
Heritage Oaks Park	CIP	\$ 5,000	\$ 5,000	\$ 5,000		
Parks Equipment	CIP	\$ 13,000	\$ 42,000	\$ 13,000		
Tennis Court Repair	CIP		\$ 22,000			
Laminate 72" Round Tables	CIP		\$ 5,000			
Metal Park Picnic Tables	Special Rec	\$ 5,000	\$ 5,000	\$ 5,000		
Bridlewoods & Highview Parks Parking Lots	Special Rec	\$ 17,500	\$ 17,500			
Totals		\$ 173,800	\$ 104,000	\$ 175,670	\$ -	\$ -

Capital Improvement Plan

Project Fund 2025 2026 2027 2028 2029

ROADS, DRAINAGE, & RIGHT OF WAYS:

2023 Road Program	Road Program	\$ 620,000	\$ 668,000	\$ 1,131,000	\$ 423,000	\$ 769,000
Road Program - Routine Maintenance	Road Program	\$ 90,000	\$ 90,000	\$ 300,000	\$ 300,000	\$ 300,000
Indian Creek Road Project (LCCOM funded)	Road Program	\$ 143,519				
Owens Road Patching - (Comm Proj funded)	Road Program	\$ 60,000				
Acorn Drive Project (LCCOM funded)	Road Program	\$ 35,500	\$ 70,800			
Sign replacement plan	Motor Fuel Tax	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Crack sealing program	Motor Fuel Tax	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Street patching	Motor Fuel Tax	\$ 110,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Storm Sewer Replacement	CIP		\$ 291,748	\$ 463,295		
Culvert Replacement	Road Program		\$ 56,963	\$ 463,295		
Choker Bridge Wall Replacement	CIP		\$ 26,523	\$ 716,163		\$ 135,000
Totals		\$ 1,119,019	\$ 1,324,033	\$ 3,193,753	\$ 843,000	\$ 1,324,000

TECHNOLOGY

Copier Leasing	CIP	\$ 12,000	\$ 12,000			
Computer Replacement	CIP	\$ 57,998	\$ 46,000			
AC AV Upgrade	CIP		\$ 10,000			
BS&A Upgrade	CIP	\$ 85,000				
Totals		\$ 154,998	\$ 68,000	\$ -	\$ -	\$ -

SEWER:

Pump Replacement	Sewer	\$ 30,900				
Totals		\$ 30,900	\$ -	\$ -	\$ -	\$ -

Summary

	CIP	\$ 433,598	\$ 1,582,769	\$ 1,873,241	\$ 243,740	\$ 373,210
	Grants	\$ 155,300	\$ 115,500	\$ -	\$ -	\$ 12,000
	Special Rec	\$ 150,500	\$ 17,500	\$ 152,670	\$ -	\$ -
	Motor Fuel Tax	\$ 170,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
	Road Program	\$ 949,019	\$ 814,963	\$ 1,894,295	\$ 723,000	\$ 1,069,000
	Police Fund	\$ 67,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
	Community Dev	\$ -	\$ 88,000	\$ 60,000	\$ -	\$ -
	Sewer	\$ 30,900	\$ -	\$ -	\$ -	\$ -
Capital Improvement Plan Total Expenditures		\$ 1,956,317	\$ 2,798,731	\$ 4,160,206	\$ 1,146,740	\$ 1,634,210
Grand Total - 5 Year Capital Plan						\$ 11,696,204
Capital Improvement Plan Fund						
Excess (Deficiency) of Funding Sources Over Capital Expenditures		\$ 1,100,924	\$ (478,845)	\$ (1,873,191)	\$ (243,690)	\$ (373,160)

Exhibit B



CHRISTOPHER B. BURKE ENGINEERING, LTD.

9575 W. Higgins Road, Suite 600
Rosemont, IL 60018

**VILLAGE OF
HAWTHORN WOODS**

**2025
SEWER RATE STUDY UPDATE
MIDLOTHIAN ROAD SEWER**

**Final
June 16, 2025**

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VILLAGE OF HAWTHORN WOODS

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ACKNOWLEDGMENT

Village Staff

We would like to acknowledge Hawthorn Woods Village Staff for their cooperation and timely provision of the data needed to perform this study. In particular, we want to thank Chief Operating Officer Pamela Newton for her participation and guidance in the study. We acknowledge Chief Financial Officer/HR Director Katreina Koprowski and Public Works Director/Village Engineer Erika Frable who provided most of the data and valuable insight needed to establish the Rate Study's parameters. Special thanks to Community Development Director, Chris Heinen for providing the estimates for new customers and the connection fees for those new customers.

Village Finance Committee & Village Board

We also acknowledge the conscientious attention the Finance Committee and Village Board give to the rate study information regarding the financial responsibility of the Sewer Fund and fairness to the Village's customers.

A. Background & Purpose

Sewer service in Hawthorn Woods, depending upon a property's location within the Village, is provided by one of three sewer service providers, or by individual private septic systems. The Midlothian Road Sewer System, constructed in 2009, is one of those sewer systems and is the only system owned and operated by the Village of Hawthorn Woods.

Currently, the Midlothian Road Sewer System has one hundred thirty-seven (137) billed residential accounts located in the Stonebridge and the Villas at the Commons subdivisions, and two (2) non-residential customers, the Village Aquatic Center and the District 95 Schools (Spencer Loomis and Middle School North). The Midlothian Road Sewer System is designed to serve future residential and mixed-use developments generally located along Midlothian Road south of the Aquatic Center and along Old McHenry Road between Midlothian Road and the District 95 Schools. The Midlothian Road Sewer System is tributary to Lake Zurich's sewer system.

An intergovernmental agreement (Lake Zurich IGA) was executed by the two villages in August of 2003 which defines the terms of service and the fees that Hawthorn Woods must pay Lake Zurich for accepting sewage from Hawthorn Woods. All sewage from Lake Zurich is in turn conveyed through interceptor sewers to the Lake County owned and operated Des Plaines Regional Water Reclamation Facility for treatment before release to the Des Plaines River.

Lake County maintains agreements with each of its customers that receive sewage treatment at the Des Plaines Regional Plant. The Village and Lake County executed an agreement (Lake County Wholesale Agreement) for sewage treatment for the Midlothian Road Sewer System in 2009. Lake County charges user fees for the operation and maintenance of the regional sewage treatment facility as well as connection fees for all new service connections. It is noted that Lake County also provides sewer service for other locations in the Village through different sewer systems which are governed by separate retail service agreements and fees.

The Village's water and sewer ordinance stipulates that Midlothian Road Sewer System customers, which are tributary to Lake Zurich, must pay Lake Zurich's and Lake County's connection fees and user fees, as required under the Lake Zurich IGA and the Lake County Wholesale Agreements. The Village has the responsibility of billing the users of the Midlothian Road Sewer System for the Lake Zurich and Lake County Fees. The Village bills the Lake Zurich and Lake County fees as "pass-through" fees and does not receive any net Village revenue for billing the Lake Zurich and the Lake County pass-through fees.

The Village operates the Midlothian Road Sewer System financially as a proprietary fund, known as the "Sewer Fund". Proprietary funds in government are business-like funds which provide goods or services to the public for a fee. Proprietary funds seek to be self-supporting with the revenues generated matching or exceeding the expenses of the fund.

In 2015, the Village modified its sewer ordinance to include a Village sewer service charge (user fee) for users of the Village owned sewer system. The service charge provides revenue for the operations of the Village's Sewer Fund. Since the inception of the Village sewer service charge, the service charge revenue has offset only a portion of the operating expenses of the Sewer Fund.

The Sewer Fund, however, has been maintained in good financial health since 2015, owing to revenue received from connection fees from new development. Connection fees are paid by property developers for new developments in the Village which utilize centralized water and/or sewer service.

The Village's customer bills for the Midlothian Road Sewer System sewer service contain the Village's service charge, and the Lake Zurich and Lake County pass-through charges.

The Village has authorized this rate study update for the purpose of reviewing the performance of the Village's Sewer Fund and the Village's sewer service charge and connection fees since the last Rate Study Update in 2019.

B. Midlothian Road Sewer System

General Description of Facilities

The Midlothian Road Sewer Facilities provide the "backbone" needed for the collection and conveyance of sewage from designated service properties in the Village to Lake Zurich's sewer system. Some of the designated service properties are currently undeveloped. The Midlothian Road Sewer facilities include two lift stations: one at the District 95 Schools and one at Krueger Road, force mains (pressure pipes) from the lift stations that connect to Lake Zurich's sewer system and gravity sewers that provide for the conveyance of sewage from the service properties to the lift stations.

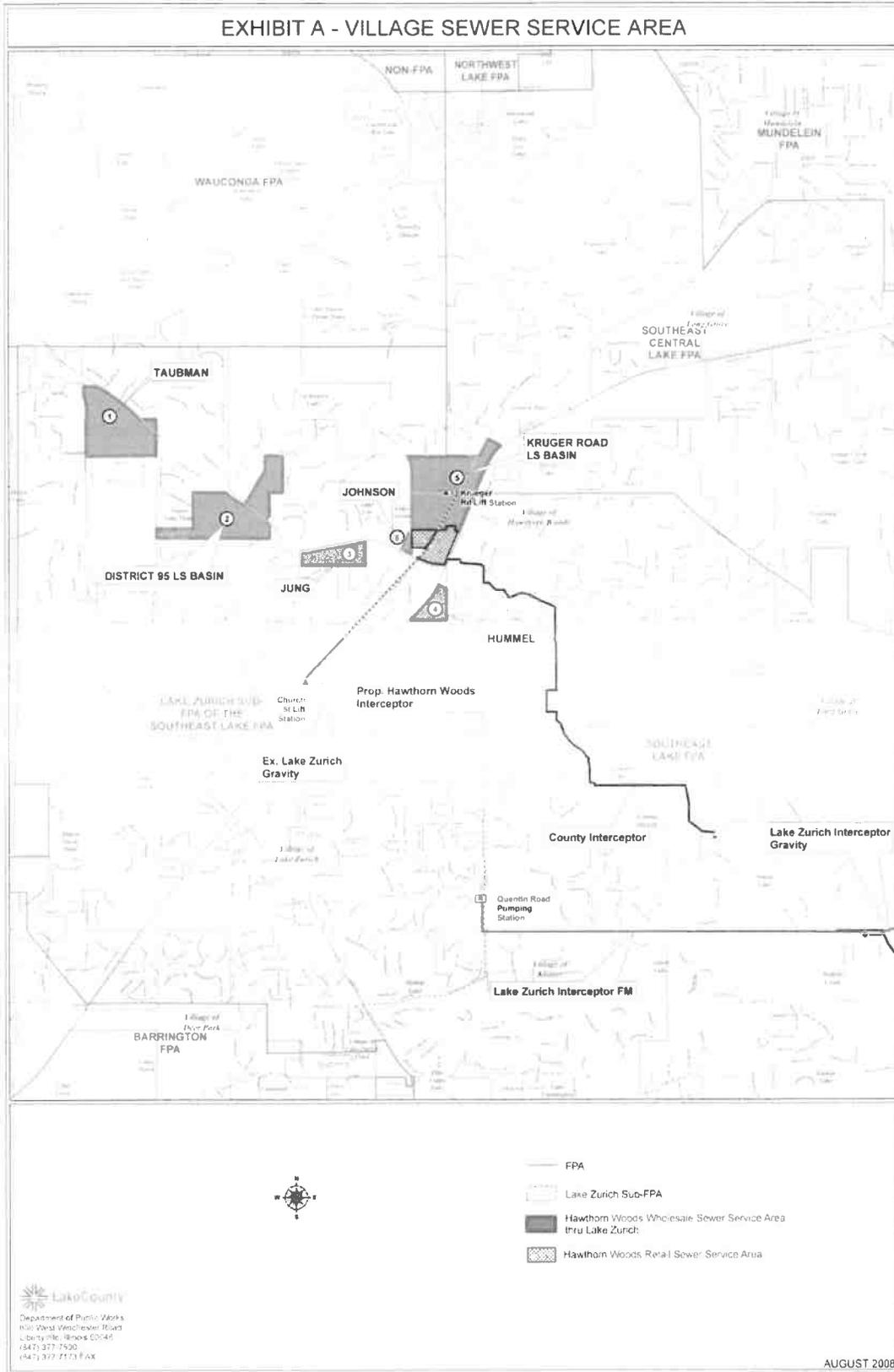
When a property develops, the developer provides the "on-site" collection sewers that are to be connected to the "backbone" Midlothian Road Sewer System. Once the development is approved and accepted, the "on-site" collection sewers are dedicated to the Village and become part of the overall sewage collection system that is the Village's responsibility to own, operate and maintain.

The service laterals (the pipes that connect the individual houses or businesses to the "on-site" sewers) are owned by the individual property owners and the individual property owners have the maintenance responsibility for their lateral service sewers.

Eligible Service Properties:

The Lake Zurich IGA and the Lake County Wholesale Agreement identify specific properties within Hawthorn Woods that Lake Zurich and the County have agreed to serve. Exhibit A is from the County Wholesale Agreement depicting the properties that have been identified for service. Properties eligible for service can and have been modified (added or deleted) from the eligible service properties through amendment(s) to the agreements. The property designated 4 – Hummel would not be tributary to the Midlothian Road Sewer Facilities.

EXHIBIT A - VILLAGE SEWER SERVICE AREA



Summary of Current Customers:

Currently, the Midlothian Road Sewer System has one hundred thirty-seven (137) billed residential accounts, located in the Stonebridge and the Villas at the Commons subdivisions, and two (2) non-residential customers, the Village Aquatic Center and the District 95 Schools (Spencer Loomis and Middle School North). In 2023 and 2024 the approximate percentage of total sewer use was:

- Residential Accounts 73%
- Aquatic Center 18%
- District 95 School 9%

Anticipated New Customers:

The Village provided its current estimates for new customers for use in this study as follows:

- 2025: 5 New Customers
- 2026: 50 New Customers

C. Sewer Fund Description

The Village provided records of the Sewer Fund data for 2019 through 2025 which were reviewed for this study. Additionally, the Annual Comprehensive Financial Reports (Audits) for fiscal 2019 through 2024 and the Village’s Approved Annual Budgets through 2025 were downloaded from the Village’s website and used for information sources. This information was entered in a spreadsheet to summarize and evaluate the performance of the Sewer Fund. The changes in the Sewer Fund’s Cash and Investments were also taken from the Audits and presented in the data as an important indicator of the Sewer Fund’s financial health. A summary of the Sewer Fund’s performance from the Audits is shown below.

	2019	2020	2021	2022	2023	2024
7 AUDIT SUMMARY:						
8 Operating Revenues	\$499,717	\$571,675	\$1,122,044	\$748,183	\$270,370	\$273,333
9 Operating Expenses	\$326,778	\$338,493	\$362,746	\$602,576	\$480,894	\$495,267
10 OPERATING INCOME (LOSS)	\$172,939	\$233,182	\$759,298	\$145,607	(\$210,524)	(\$221,934)
11 Non-Operating Revenues	(\$114,210)	(\$269,912)	(\$488,021)	\$11,403	\$42,936	\$65,998
12 NET INCOME (LOSS) BEFORE TRANSFERS	\$58,729	(\$36,730)	\$271,277	\$157,010	(\$167,588)	(\$155,936)
13 Transfers in	\$0	\$0	\$0	\$0	\$0	\$0
14 CHANGE IN NET POSITION	\$58,729	(\$36,730)	\$271,277	\$157,010	(\$167,588)	(\$155,936)
15 ADJUSTMENT FOR DEPRECIATION:						
16 Depreciation Expense	\$67,066	\$69,785	\$78,008	\$78,007	\$78,006	\$78,007
17 CHANGE IN NET POSITION W/O DERPRCIATION	\$125,795	\$33,055	\$349,285	\$235,017	(\$89,582)	(\$77,929)
	2019	2020	2021	2022	2023	2024
92 CURRENT ASSETS - CASH AND INVESTMENTS FROM AUDITS	\$1,492,270	\$1,486,144	\$1,932,148	\$2,048,966	\$1,942,524	\$1,866,433
93 TRANSFERS IN (OUT)	\$0	\$0	\$0	\$0	\$0	\$0
94 YEAR OVER YEAR CHANGE IN CASH	\$153,764	(\$6,126)	\$446,004	\$116,818	(\$106,442)	(\$76,091)
	2019	2020	2021	2022	2023	2024

The Village Budgets for the Sewer Fund accounting have separate sections for Operating Revenues and Expenses, and Non-Operating Revenues and Expenses. Operating Revenue is generated from the Service Charges (user fee) from billing customers based on their water usage. Non-Operating Revenue is primarily generated from Connection Fees from new developments and interest income.

The Sewer Fund's yearly Net Income (or loss) is determined from adding the net Operating Income and the net Non-Operating Income (or Loss). Positive Net Income results in increasing the Fund's Net Position and increasing the Fund's Cash and Investments.

D. Sewer Fund Operating Revenues and Expenses

Operating Revenues:

The Sewer Fund Operating Revenues are derived from the Service Charges the Village bills the sewer customers. Service Charges are billed based on the customer's monthly water use volume in 1000-gallon units. Aqua Illinois, the Village's water provider, provides the customer's water usage information to the Village. We are not aware of any community or sewer provider that "meters" sewer services for residential customers. References to "Metered Sewer" such as in Lake County's Ordinance means they are using the metered water consumption for determining "metered sewer volume".

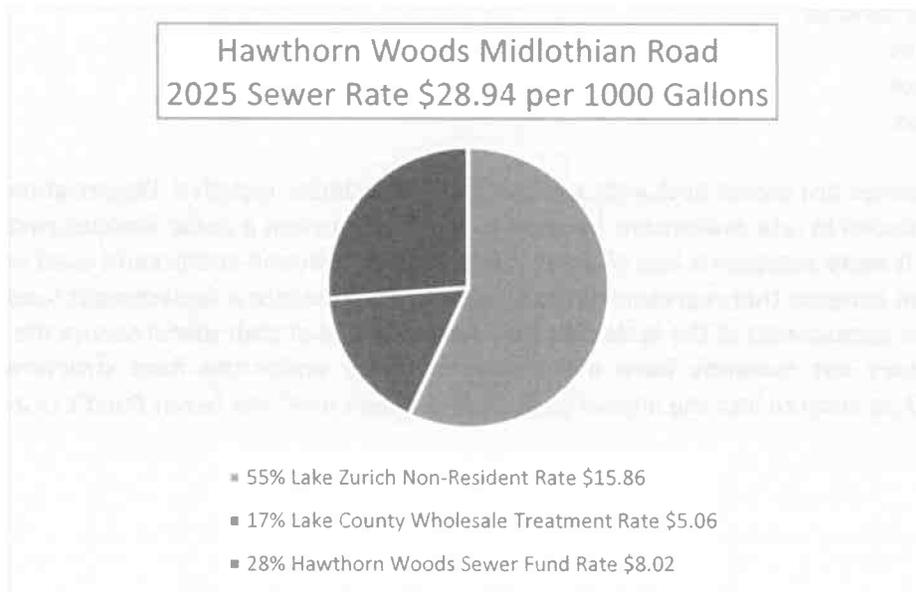
The Village historically adjusts summer billing volumes per an Illinois Commerce Commission (Ill. C.C.) Ruling that applies to Aqua Illinois for Aqua's sewer billings. This adjustment can reduce the billed water volume during summer months when water usage is sometimes higher due to sprinkling. Although the Village is not regulated by the Ill. C.C. or required to make the Ill. C.C. adjustment, the Village has made this adjustment voluntarily as a courtesy to its residents.

The total rate charged a customer per 1000-gallons is determined from the sum of the pass-through Lake Zurich and Lake County user fee rates plus the Village's service charge rate from the Village's sewer ordinance. Rate increases enacted by Lake Zurich or Lake County are automatically passed though onto customers' bills. The Village does not generate any revenue for the Village's use from the Lake Zurich and Lake County user fees or from the Lake Zurich and Lake County connection fees.

The Village's service charge was enacted in 2015 at \$6.00 per 1000-gallons of metered water consumption for operating expenses. Starting in 2017 by ordinance, the Village's service charge rate is adjusted every year on January 1st by the State of Illinois Department of Revenue CPI index with a 2% floor and a 4% ceiling. The service charge rates and resulting revenues from 2019 through September 2025 are shown below.

		2019	2020	2021	2022	2023	2024	2025
1	BILLING RATES AND VOLUMES:							
2	Billing Rate per 1000 Gallons:							
3	Lake Zurich Non-Resident Rate	\$13.80	\$14.20	\$14.20	\$14.20	\$14.95	\$15.40	\$15.86
4	Lake County Treatment Rate	\$4.08	\$4.25	\$4.43	\$4.54	\$4.72	\$4.86	\$5.06
5	Hawthorn Woods Sewer Fund Rate	\$6.38	\$6.50	\$6.65	\$6.82	\$7.09	\$7.76	\$8.02
6	Total Rate Per 1000 Gallons	\$24.26	\$24.95	\$25.28	\$25.56	\$26.76	\$28.02	\$28.94
		2019	2020	2021	2022	2023	2024	2025

A pie chart of the current (2025) service charge rates is shown below identifying Lake Zurich’s non-resident user fee, Lake County’s wholesale treatment user fee, and the Village’s service charge.



The Lake Zurich and Lake County user fees are pass-throughs, therefore, the Village’s share of the revenue generated from the billings is the focus of the Rate Study. The table below subtracts out the Lake Zurich and Lake County user fees (shown as expenses in the Village’s Audits and Budgets) to show the “net” revenue the Village receives from the user fees.

		2019	2020	2021	2022	2023	2024
18	NET HW OPERATING REVENUES FROM BUDGETS:						
19	Total Charges for Service (User Fees)	157,694	56,075	157,094	259,058	244,370	273,333
20	TOTAL OPERATING REVENUES	157,694	56,075	157,094	259,058	244,370	273,333
21	User Fees paid to LZ & LC (Pass through user fees)	76,624	60,663	96,238	144,731	172,135	176,549
22	<i>Note, User Fees paid to LZ & LC are listed in Budgets as a Contractual Service Expense</i>						
23	NET HW OPERATING REVENUES	81,070	-4,588	60,856	114,327	72,235	96,784
		2019	2020	2021	2022	2023	2024

Operating Expenses:

The Sewer Fund Operating Expenses include the following categories for the operation and maintenance of the Midlothian Road Sewer System:

- Personnel Services
- Contractual Services
- Commodities
- Maintenance
- Depreciation

Total Operating Expenses are shown both with and without Depreciation included. Depreciation is not commonly included in rate evaluations because it doesn't represent a dollar amount paid out from the Fund. It more represents loss of asset value. A more common component used in rate evaluations is an expense that represents a transfer from revenue into a replacement fund to be used to replace components of the system as they reach the end of their useful service life. The Sewer Fund does not currently have a replacement fund, under the fund structure replacements would be entered into the annual budgets and drawn from the Sewer Fund's cash reserves.

		2019	2020	2021	2022	2023	2024 *	
24	NET HW OPERATING EXPENSES FROM BUDGETS:							
25	Personnel Services:							
26	Salaries	\$69,547.00	\$116,761.00	\$117,407.00	\$136,209.00	\$141,040.00		
27	Overtime							
28	IMRF	\$7,372.00	\$13,652.00	\$14,715.00	\$14,399.00	\$14,927.00		
29	FICA Matching	\$4,851.00	\$7,929.00	\$8,064.00	\$9,225.00	\$9,377.00		
30	Audit Reconciliation Pension & OPEB	\$19,303.00	\$9,420.00	\$14,577.00	(\$19,978.00)	\$2,704.00		
31	Total - Personnel Services	\$101,073.00	\$147,762.00	\$154,763.00	\$139,855.00	\$168,048.00	\$147,248.00	
32	<i>Note, Audit Reconciliation is not in Budgets and is taken from Audits</i>							
33	Contractual services: 2024 value on Line 33 contains pass through user fees not included on line 41 Total.							\$229,987.00
34	Contractual Maintenance	\$26,631.00	\$10,483.00	\$3,890.00	\$5,730.00	\$17,853.00		
35	Cell Phone							
36	Utilities	\$4,441.00	\$3,513.00	\$3,123.00	\$3,514.00	\$3,792.00		
37	Sewer Rate Study	\$1,376.00						
38	Engineering Standards	\$22,604.00						
39	Insurance Allocation	\$26,375.00	\$26,375.00	\$26,375.00	\$26,375.00	\$26,375.00		
40	Other							
41	Total - Contractual Services (w/o pass through user fees)	\$81,427.00	\$40,371.00	\$33,388.00	\$35,619.00	\$48,020.00	\$53,438.31	
42	<i>Note, Budget Contractual services include User Fees paid to LZ and LC, not shown here.</i>							
43	Commodities:							
44	Sanitary Sewer Supplies	\$500.00	\$5,798.00	\$348.00	\$1,318.00	\$400.00		
45	Uniforms/Safety Gear							
46	Vehicle/Equipment Supplies				\$1,162.00	\$232.00		
47	Total - Commodities	\$500.00	\$5,798.00	\$348.00	\$2,480.00	\$632.00	\$4,166.00	
48	Capital Outlay/Maintenance:							
49	Engineering		\$2,640.00					
50	Sewer Expense - LZ & LC Fee							
51	Pump Replacement							
52	Manhole Rehabilitation							
53	Sewer Lining		\$5,000.00					
54	Equipment		\$6,472.00			\$13,750.00		
55	Other Improvements	\$54,581.00						
41	Connection Fees Paid - LZ ¹							
56	Total - Maintenance	\$54,581.00	\$14,112.00	\$0.00	\$0.00	\$13,750.00	\$35,849.00	
57	<i>Note, Budgets Capital Outlay includes LZ and LC Connection Fees paid, not shown here.</i>							
58	Depreciation (From Audits):							
59	Depreciation Expense	\$67,065.74	\$69,785.00	\$78,008.00	\$78,007.00	\$78,006.00	\$78,007.00	
60	Total - Depreciation	\$67,065.74	\$69,785.00	\$78,008.00	\$78,007.00	\$78,006.00	\$78,007.00	
61	HW NET OPERATING EXPENSES W/O DEPRECIATION W/O PASS- THROUGH USER FEES	\$237,581.00	\$208,043.00	\$188,499.00	\$177,954.00	\$230,450.00	\$240,711.31	
		2019	2020	2021	2022	2023	2024 *	

* 2024 Audit values do not list details for expense line items; line item details are from Budgets.

Operating Revenues Over Expenses

The sum of the Net Operating Revenues and the Operating Expenses is the Sewer Fund’s Net Operating Income (Loss in Parentheses) shown below:

		2019	2020	2021	2022	2023	2024
62	HW NET OPERATING INCOME (LOSS):						
63	HW Net Operating Revenue	\$81,070.00	(\$4,588.00)	\$60,856.00	\$114,327.00	\$72,235.00	\$96,784.31
64	HW Net Operating Expenses	\$237,581.00	\$208,043.00	\$188,499.00	\$177,954.00	\$230,450.00	\$240,711.31
65	NET OPERATING INCOME (LOSS) WITHOUT DEPRECIATION	(\$156,511.00)	(\$212,631.00)	(\$127,643.00)	(\$63,627.00)	(\$158,215.00)	(\$143,927.00)
66	ESTIMATED ADDITIONAL FEE TO COVER OPERATING INCOME LOSS (\$ per 1000 Gallons)	\$24.08	\$94.61	\$20.54	\$6.28	\$17.33	\$14.75
		2019	2020	2021	2022	2023	2024

As can be seen from the data above on Line 65, the Village’s service charge has not generated enough Operating Revenues to cover the Sewer Fund’s Operating Expenses in any year 2019 through 2024. Line 66 shows the estimated additional service charge that would be needed to fully cover the Operating Expenses for each year with only service charge user fees as the Sewer Fund’s revenue source. As will be seen in the following sections of this study, the Sewer Fund has been maintained in healthy financial condition historically due to the added revenue source of connection fees.

It was not unexpected that the initial Village service charge of \$6.00 per 1000-gallons of water consumption enacted in 2015 would cover the operating expenses. This was reviewed with the Finance Committee and Staff for the 2015 Rate Study that led to the current rate ordinance and similarly reviewed in preparing the 2019 Rate Study Update.

E. SEWER FUND NON-OPERATING REVENUES AND EXPENSES

The Sewer Fund also receives revenue from other sources, Connection Fees and Investment Income. The Sewer Fund has benefited from the collection of Connection Fees from 2019 – 2023, although in 2023 there was a substantial decrease in Connection Fee revenue over those collected in prior years. Connection Fees are received from developers as new homes and businesses are built and connect to the water and sewer service providers’ systems in the Village. The Non-Operating Revenue and Expenses category also includes the pass-through connection fees the Village collects and then pays to Lake Zurich and Lake County as pass-throughs. Like the Operating Revenue and Expenses, the focus of the Rate Study is on the Net Connection Fees the Village receives. The Non-Operating Revenues and Expenses, and the Investment Income for the Sewer Fund are shown below:

		2019	2020	2021	2022	2023	2024
67	NET HW CONNECTION FEE NON-OPERATING REVENUES COLLECTED AND PAID FROM BUDGETS:						
68	Lake Zurich Connection Fees Collected	\$66,875.00	\$160,000.00	\$291,250.00	\$113,125.00	\$0.00	\$0.00
69	LZ Admin Reservation Fee Collected	\$5,880.00	\$11,760.00	\$20,580.00	\$9,240.00	\$0.00	\$0.00
70	LZ Admin Advance User Fee Collected	\$35,000.00	\$71,000.00	\$122,500.00	\$55,000.00	\$0.00	\$0.00
71	Lake County Connection Fees Collected	\$52,920.00	\$112,840.00	\$197,620.00	\$88,760.00	\$0.00	\$0.00
72	Hawthorn Woods Connection Fees Collected	\$212,500.00	\$160,000.00	\$333,000.00	\$223,000.00	\$26,000.00	\$0.00
73	TOTAL CONNECTION FEE NON-OPERATING REVENUES COLLECTED	\$373,175.00	\$515,600.00	\$964,950.00	\$489,125.00	\$26,000.00	\$0.00
74	<i>Note, 2019 Revenues from User Fees and Connection Fees do not match with Audit. Audit is lower by \$31,152.</i>						
75	LZ Connection Fees Paid	\$66,875.00	\$160,000.00	\$291,250.00	\$113,125.00	\$0.00	\$0.00
58	Lake Zurich Pump Escrow Fee Paid						\$0.00
	LZ Administration Reservation Fee Paid						\$0.00
76	Lake County Connection Fees Paid	\$52,920.00	\$112,840.00	\$197,620.00	\$88,760.00	\$0.00	\$0.00
77	PASS THROUGH CONNECTION FEE NON-OPERATING EXPENSES PAID	\$119,795.00	\$272,840.00	\$488,870.00	\$201,885.00	\$0.00	\$0.00
78	NET HW CONNECTION FEE NON-OPERATING REVENUES	\$253,380.00	\$242,760.00	\$476,080.00	\$287,240.00	\$26,000.00	\$0.00
		2019	2020	2021	2022	2023	2024
79	OTHER HW NON-OPERATING REVENUES:						
80	Investment Income	\$5,585.00	\$2,927.00	\$849.00	\$11,402.00	\$42,934.00	\$65,998.00
81	Transfer from Other Funds (Transfer to Other Funds)						
82	TOTAL OTHER HW NON-OPERATING REVENUES	\$5,585.00	\$2,927.00	\$849.00	\$11,402.00	\$42,934.00	\$65,998.00
		2019	2020	2021	2022	2023	2024
83	HW NON-OPERATING INCOME (LOSS):						
84	Net HW Connection Fee Non-Operating Revenue	\$253,380.00	\$242,760.00	\$476,080.00	\$287,240.00	\$26,000.00	\$0.00
85	Other HW Non-Operating Revenue	\$5,585.00	\$2,927.00	\$849.00	\$11,402.00	\$42,934.00	\$65,998.00
86	HW NON-OPERATING INCOME (LOSS)	\$258,965.00	\$245,687.00	\$476,929.00	\$298,642.00	\$68,934.00	\$65,998.00
		2019	2020	2021	2022	2023	2024

As can be seen on Line 86, the Sewer Fund's Non-Operating Revenues have exceeded the Non-Operating Expenses by more than \$65,000 every year 2019 – 2024. The magnitude of the values reflects the level of development activity in the Village that occurred during each year.

F. NET INCOME (LOSS)

The Sewer Fund's Net Income (Loss) is the combined Revenues over Expenses for the Operating and Non-Operating Revenues and Expenses as shown below with Depreciation expenses not included:

		2019	2020	2021	2022	2023	2024
87	NET HW OPERATING AND NON-OPERATING INCOME (LOSS):						
88	OPERATING INCOME (LOSS) W/O DEPRECIATION (LINE 65)	(\$156,511)	(\$212,631)	(\$127,643)	(\$63,627)	(\$158,215)	(\$143,927)
89	HW NON-OPERATING INCOME (LOSS) (LINE 86)	\$258,965	\$245,687	\$476,929	\$298,642	\$68,934	\$65,998
90	TOTAL HW OPERATING & NON-OPERATING INCOME (LOSS)	\$102,454	\$33,056	\$349,286	\$235,015	(\$89,281)	(\$77,929)
91	ESTIMATED ADDITIONAL FEE TO COVER INCOME LOSS (\$ per 1000 Gallons)	\$0.00	\$0.00	\$0.00	\$0.00	\$9.78	\$7.99
		2019	2020	2021	2022	2023	2024

As can be seen on Line 90, the Sewer Fund generated positive Net Income for the Years 2019 through 2022 but showed losses of \$89,281 in 2023 and \$77,929 in 2024. The Sewer Fund's income/loss under the current rate structure is dependent on the amount of Connection Fees collected associated with development, as can be seen in the income loss years 2023 where connection fees dropped to \$26,000 and \$0 in 2024.

The Village has estimated that there will be new customers in each of the two upcoming Years as follows:

- 2025: 5 New Customers
- 2026: 50 New Customers

Section H below shows the estimated effects on Net Income (Loss) from connection fees for the new customer projections.

G. NET POSITION, CASH AND INVESTMENTS ASSETS

Net Position:

The Village's Comprehensive Annual Financial Reports (Audits) show the accounting and Net Position of the Sewer Fund. The Net Position includes the asset values of the sewer system and land owned by the Village for those facilities. This is discussed here for informational purposes but is of little interest in the evaluation of rates.

Current Assets – Cash and Investments:

The Audit information for the Sewer Fund Current Assets – Cash and Investments is presented below. The amount of Cash and Investments is important in gauging the financial health of the Sewer Fund and the evaluation of the Village's sewer rates. The amount of Cash and Investments in the Sewer Fund represents the Sewer Fund's reserves that are available to cover emergency repairs and/or interruptions in revenue cash flows.

		2019	2020	2021	2022	2023	2024
92	CURRENT ASSETS - CASH AND INVESTMENTS FROM AUDITS	\$1,492,270	\$1,486,144	\$1,932,148	\$2,048,966	\$1,942,524	\$1,866,433
93	TRANSFERS IN (OUT)	\$0	\$0	\$0	\$0	\$0	\$0.00
94	YEAR OVER YEAR CHANGE IN CASH	\$153,764	(\$6,126)	\$446,004	\$116,818	(\$106,442)	(\$76,091)
		2019	2020	2021	2022	2023	2024

The Sewer Fund’s Cash and Investments indicated on Line 92 from the Village’s Audits are well within the guidelines of industry standards for target reserve balances. Minimum reserve balances for small systems should be maintained for at least 1.5% of the estimated replacement value of the facilities and to cover at least 90-days of operating expenses. The Sewer Fund’s Cash and Investments indicated in Village Audits are well above the minimum guideline amounts.

It is beyond the scope of this study to estimate the replacement value of the Midlothian Road Sewer System. As a comparative example of a minimum reserve calculation, the Total Capital Assets from the 2023 Audit are listed at \$3,700,223. The Operating Expenses for 2023 are \$402,585 including user fees paid to Lake Zurich and Lake County. Applying the guidelines in the previous paragraph to these values results in a minimum reserves amount of just under \$155,000. It is CBEL’s opinion that sewer providers should set policy more conservatively than the minimums recommended by the water/sewer trade organizations. For a small system, such as the Midlothian Road Sewer system, in our opinion maintaining a full year’s coverage of operating expenses would not be an overly conservative policy.

Although the Cash and Investments are well above the guidelines for reserves, as noted the current rate structure is highly dependent upon Connection Fee revenue from new developments. Should Connection Fees continue their current downward trend, reserves will continue to be depleted. The Midlothian Road Sewer system is still a relatively new system, as infrastructure ages repairs or maintenance may be necessary which can also quickly deplete reserves.

H. SEWER FUND’S PROJECTED PERFORMANCE 2025 AND 2026

The Sewer Fund’s performance was projected for 2025 and 2026 using the following assumptions:

- Lake County’s User Fee for treatment is \$5.04 in 2025 and increases to \$5.26 in 2026 per information from Lake County.
- Lake Zurich’s non-resident user fees are \$15.86 in 2025. \$15.86 was also used for 2026 since no announced increases are shown on Lake Zurich’s website.
- The Village will have 5 new home connections in 2025 and 50 new home connections in 2026. The assumption for connection fee revenue is \$1,116.28 (provided by the Village) per new home connection. This connection fee is a Village calculated average connection fee per home for re-platted property where the original number of lots are exempt from connection fees. Using the fees listed above, the estimated connection fee revenue is \$5,581.40 for 2025 and \$55,814.00 for 2026.
- The Village’s service charge will increase by 2.9% in 2026 to \$8.25 matching the Illinois Department of Revenue CPI index for 2025 in conformance with the current sewer ordinance.

- Total Billed Volume will be 9,700 (1000-gallons) in both 2025 and 2026 representing a reasonable estimate of billing volume from reviewing recent years' values.
- Operating Expenses will be as presented in the Approved 2025 Budget.
- No estimates for Lake Zurich or Lake County Connection fees are included in the tables since these are pass-through revenues and expenses.

The projected performance for the Sewer Fund using the stated assumptions is as follows:

Line #		2025 ESTIMATES	2026 ESTIMATES
1	BILLING RATES AND VOLUMES:		
2	Billing Rate per 1000 Gallons:		
3	Lake Zurich Non-Resident Rate	\$15.86	\$15.86
4	Lake County Wholesale Treatment Rate	\$5.06	\$5.26
5	Hawthorn Woods Sewer Fund Rate	\$8.02	\$8.25
6	Total Rate Per 1000 Gallons	\$28.94	\$29.37
	Estimated Billed Volume (1000 gallons)	9,700	9,700
18	NET HW OPERATING REVENUES FROM CALCULATION:		
19	Total Charges for Service (User Fees)	\$280,718.00	\$284,889.00
20	TOTAL OPERATING REVENUES	\$280,718.00	\$284,889.00
21	User Fees paid to LZ & LC	\$202,924.00	\$204,864.00
22	<i>Note, User Fees paid to LZ & LC are listed in Budgets as a Contractual Service Expense</i>		
23	NET HW OPERATING REVENUES	\$77,794.00	\$80,025.00

		2025	2026
24	NET HW OPERATING EXPENSES FROM BUDGETS:		
25	Personnel Services:		
26	Salaries	\$145,437.00	\$154,163.00
27	Overtime		
28	IMRF	\$14,733.00	\$15,617.00
29	FICA Matching	\$11,126.00	\$11,793.00
30	Audit Reconciliation Pension & OPEB		
31	Total - Personnel Services	\$171,296.00	\$181,573.00
32	<i>Note, Audit Reconciliation is not included in Budgets.</i>		
33	Contractual services:		
34	Contractual Maintenance	\$18,400.00	\$18,400.00
35	Cell Phone		
36	Utilities	\$5,000.00	\$5,000.00

37	Sewer Rate Study		
38	Engineering Standards		
39	Insurance Allocation	\$26,375.00	\$26,375.00
40	Other		
41	Total - Contractual Services (w/o pass through user fees)	\$49,775.00	\$49,775.00
42	<i>Note, Budget Contractual services include User Fees paid to LZ and LC, not shown here.</i>		
43	Commodities:		
44	Sanitary Sewer Supplies	\$5,000.00	\$5,000.00
45	Uniforms/Safety Gear		
46	Vehicle/Equipment Supplies	\$2,000.00	\$2,000.00
47	Total - Commodities	\$7,000.00	\$7,000.00
48	Capital Outlay/Maintenance:		
49	Engineering	\$1,000.00	\$1,000.00
50	Sewer Expense - LZ & LC Fee		
51	Pump Replacement	\$30,900.00	
52	Manhole Rehabilitation	\$10,000.00	\$10,000.00
53	Sewer Lining	\$22,000.00	\$22,000.00
54	Equipment	\$5,000.00	\$5,000.00
55	Other Improvements	\$3,500.00	\$3,500.00
56	Total - Maintenance	\$72,400.00	\$41,500.00
57	<i>Note, Budgets Capital Outlay includes LZ and LC Connection Fees paid, not shown here.</i>		
58	Depreciation (From Audits):		
59	Depreciation Expense	\$78,006.00	\$78,006.00
60	Total - Depreciation	\$78,006.00	\$78,006.00
61	HW NET OPERATING EXPENSES W/O DEPRECIATION W/O PASS-THROUGH USER FEES	\$300,471.00	\$279,848.00
		2025	2026

		2025	2026
62	HW NET OPERATING INCOME (LOSS):		
63	HW Net Operating Revenue	\$77,794.00	\$80,025.00
64	HW Net Operating Expenses	\$300,471.00	\$279,848.00
65	OPERATING INCOME (LOSS) WITHOUT DEPRECIATION	(\$222,677.00)	(\$199,823.00)
66	ESTIMATED ADDITIONAL USER FEE TO COVER OPERATING INCOME LOSS (\$ per 1000 Gallons)	\$22.96	\$20.60

		2025	2026
	NET HW CONNECTION FEE NON-OPERATING REVENUES COLLECTED AND PAID FROM CALCULATIONS:		
67			
68	Lake Zurich Connection Fees Collected		
69	LZ Admin Reservation Fee Collected		
70	LZ Admin Advance User Fee Collected		
71	Lake County Connection Fees Collected		
72	Hawthorn Woods Sewer Connection Fees Collected	\$5,581.40	\$51,814.00
73	TOTAL CONNECTION FEE NON-OPERATING REVENUES COLLECTED	\$5,581.40	\$51,814.00
75	LZ Connection Fees Paid		
76	Lake County Connection Fees Paid		
	PASS THROUGH CONNECTION FEE NON-OPERATING EXPENSES PAID		
77			
	<i>Note, Lake Zurich and Lake County Connections Fees are not shown since they are pass-throughs with net zero effect on Income.</i>		
78	NET HW CONNECTION FEE NON-OPERATING REVENUES	\$5,581.40	\$51,814.00
79	OTHER HW NON-OPERATING REVENUES FROM BUDGETS:		
80	Investment Income	\$65,000.00	\$65,000.00
81	Transfer from Other Funds (Transfer to Other Funds)	\$30,270.00	\$222,989.00
82	TOTAL OTHER HW NON-OPERATING REVENUES	\$95,270.00	\$287,989.00
83	HW NON-OPERATING INCOME (LOSS):		
84	Net HW Connection Fee Non-Operating Revenue	\$5,581.40	\$51,814.00
85	Other HW Non-Operating Revenue	\$95,270.00	\$287,989.00
86	HW NON-OPERATING INCOME (LOSS)	\$100,851.40	\$343,803.00

		2025	2026
87	NET HW OPERATING AND NON-OPERATING INCOME (LOSS):		
88	OPERATING INCOME (LOSS) WITHOUT DEPRECIATION (LINE 65)	(\$222,677.00)	(\$199,823.00)
89	HW NON-OPERATING INCOME (LOSS) (LINE 86)	\$100,851.00	\$343,803.00
90	TOTAL HW OPERATING & NON-OPERATING INCOME (LOSS)	(\$121,825.60)	\$143,980.00
	ESTIMATED ADDITIONAL USER FEE TO COVER INCOME LOSS		
91	(\$ per 1000 Gallons)	\$12.56	\$0.00
92	CURRENT ASSETS - CASH AND INVESTMENTS DEC 31ST	\$1,744,607	\$1,888,587
93	TRANSFERS IN (OUT) <i>Note, see Line 81 for loan repayment.</i>		
94	YEAR OVER YEAR CHANGE IN CASH	(\$121,826)	\$143,980

Summarizing key elements from the above projections and assumptions:

- Operating Losses continue. The Operating Losses for 2025 and 2026 are projected to be in the range of (\$200,000) annually. Of the last 6 years, only the year 2020 (Covid) had an Operating Loss at this level (Line 65, page 14, & Appendix A, Line 65).
- Non-Operating Income improves from years 2023 and 2024 to levels closer to 2019 - 2022 (Line 86, page 15, & Appendix A, Line 86). This is dependent upon the predicted number of new customers that will pay connection fees. The "Transfer from Other Funds" (loan repayment) (Line 81) is also projected to provide Non-Operating Income in years 2025 and 2026. Year 2027 is expected to be the last year that will receive a Transfer for the loan repayment in the amount of \$116,035.
- The Total Net HW Operating and Non-Operating Income (Loss) (Line 90) for 2025 is projected to be a loss of (\$121,825) with year 2026 projected to return to positive at a value of \$143,980. Year 2025 continues the trend of losses from 2023 and 2024. As noted, this is a function of lack of new connection fees. Year 2026 turns positive from the revenues projected from connection fees that year plus the loan repayment of nearly \$223,000 for that year.
- The above analysis predicts that the Sewer Fund's Cash and Reserves (Line 92) will dip to approximately \$1.74 million in 2025 and increase to \$1.89 million in 2026.

I. SUMMARY

Years 2023, 2024 and 2025 (projected) show Losses of the Sewer Fund Income (Loss) ranging from (\$78,000) to (\$122,000) (Line 90). The losses occur with there being minimal revenue from Connection Fees.

By comparison, the lowest value for HW Net Connection Fee Revenue (Line 78) for years 2019 through 2022 was \$242,760.

If the Sewer Fund were to receive no Connection Fee Revenue for 2025 or 2026, the estimated loss for year 2025 would increase to (\$127,400) and the year 2026 Income would be reduced to \$88,166. While the level of projected cash reserves remains "financially healthy" for 2025 and 2026, the downward trend of Cash and Reserves since peaking in 2022 at \$2.04 million is concerning. The Sewer Fund could withstand a few years of similar losses before being depleted to alarm levels; however, if future development stagnates, the downward trend in Cash and Reserves would be expected to continue, unless/until additional revenue source(s) are realized.

The concern now, as for the prior rate studies in 2015 and 2019, is that the lack of connection fee income for the years 2023, 2024 and 2025 (projected) is not a harbinger for future years. Without connection fee income, substantial increases would be needed to the Sewer Fund's User Fees to maintain positive balances and maintain the Sewer Fund as a self-supported proprietary fund.

As in 2019, the Village is faced with a decision of whether to increase the service fees to reduce losses of operating revenue over operating expenses. And as in 2019, sewer service for the Village's customers are higher than most all surrounding communities.

J. RECOMMENDATIONS

Following the methodology used for the 2015 and 2019 Sewer Fund Rate studies, the 2025 Study assessment of the fund was discussed with Staff and the Finance Committee and “joint” recommendations were established for the 2025 Rate Study.

Draft V02 of the Rate Study was presented at the April 14, 2025 Finance Committee Meeting. Topics discussed at Finance Committee included:

1. Sewer Service Charge Rate
2. Sewer Connection Fees
3. Revised Projections for Development Activity
4. Scheduled Transfers into the Sewer Fund from the Aquatics Fund
5. Summer Sewer Volume Adjustment
6. Timetable for Next Sewer Fund Review

After presentation and discussion of Draft V02, the Finance Committee requested an updated draft for review to include data from the 2024 Audit (approved in May 2025), updated projections for new development Connection Fee Revenue, and the inclusion of scheduled Fund Transfers in 2025 and 2026 for repayment of cash reserves borrowed from the Sewer Fund by the Aquatics Fund.

The requested data for the updates was collected and incorporated into Draft V03 presented and discussed at the June 9, 2025 Finance Committee meeting. After deliberation and due consideration of the Committee, a motion was made and unanimously passed that the recommendations from the 2025 Rate Study are:

1. Implement a \$4.00 per 1,000 gallon increase to the current Sewer Charges (Village Code Chapter 5 – Water and Sewer Service, Section 4-5-7) for each of the next four Fiscal Years.
2. The annual CPI rate adjustments per Section 4-5-7, A. 1. are to remain in effect.
3. Subject to Village Counsel review and concurrence, the ceiling of 4% for the CPI annual rate adjustments is to be removed from the Village Code.
4. It is recommended that a Rate Study update be performed in four years.

The Committee’s recommendations are driven by the fact that operating revenue collected for the Sewer Fund covers a fraction of the operating expenses of the fund. Although, the same was true for previous rate studies, the connection fee revenue that maintained the Sewer Fund in good financial condition in earlier years has waned since 2022, with 2023 yielding \$26,000, 2024 producing \$0 and the projection for 2025 being a modest \$5,581.40. By comparison, the low for connection fee revenue 2019 – 2022 was \$242,760.00.

It was the Finance Committee’s position that operating revenue from the Sewer Charges should be covering the operating expenses for Personnel Services, Contractual Services and Commodities in general, and that the Capital Outlay/Maintenance expenses should generally be drawn from the Fund’s reserves. It was also the opinion of the Committee that the non-operating

revenue from Connection Fees should in general be predominately funneled into the Sewer Fund's Reserves for use for future maintenance, repair, replacement, and capital outlay. The Committee recommended that making the rate adjustments necessary to enact the positions described above should occur over a four-year period.

The table below shows the estimated additional Service Charges needed for Operating Revenue to cover Operating Expenses for the Years 2023 and 2024 and the projections for 2025 and 2026 if the recommended rate adjustments were not enacted.

		2023	2024	2025	2026
V04	HW NET OPERATING INCOME (LOSS):				
V04	HW Net Operating Revenue (Line 23)	\$72,235.00	\$96,784.31	\$77,794.00	\$80,025.00
V04	HW Net Operating Expenses (Line 61)	\$230,450.00	\$240,711.31	\$300,471.00	\$279,848.00
V04	Capital Outlay/Maintenance (Line 56)	\$13,750.00	\$35,849.00	\$72,400.00	\$41,500.00
V04	HW Net Operating Expenses Less Capital Outlay/Maintenance	\$216,700.00	\$204,862.31	\$228,071.00	\$238,348.00
V04	NET OPERATING INCOME (LOSS) WITHOUT DEPRECIATION, WITHOUT CAPITAL OUTLAY/MAINTENANCE EXPENSE	(\$144,465.00)	(\$108,078.00)	(\$150,277.00)	(\$158,323.00)
V04					
V04	ESTIMATED ADDITIONAL FEE TO COVER OPERATING INCOME LOSS (\$ per 1000 Gallons)	\$15.82	\$11.08	\$15.49	\$16.32
		2023	2024	2025	2026

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APPENDIX A

SEWER FUND SPREADSHEET

Line #		2019 ^a	2020	2021	2022	2023	2024	2025 ESTIMATES	2026 ESTIMATES
		2019	2020	2021	2022	2023	2024	2025	2026
1	BILLING RATES AND VOLUMES:								
2	Billing Rate per 1000 Gallons:								
3	Lake Zurich Non-Resident Rate	\$13.80	\$14.20	\$14.20	\$14.20	\$14.95	\$15.40	\$15.86	\$15.86
4	Lake County Wholesale Treatment Rate	\$4.08	\$4.25	\$4.43	\$4.54	\$4.72	\$4.86	\$5.06	\$5.26
5	Hawthorn Woods Sewer Fund Rate	\$6.38	\$6.50	\$6.65	\$6.82	\$7.09	\$7.76	\$8.02	\$8.25
6	Total Rate Per 1000 Gallons	\$24.26	\$24.95	\$25.28	\$25.56	\$26.76	\$28.02	\$28.94	\$29.37
	Estimated Billed Volume (1000 gallons)	6,500	2,247	6,214	10,135	9,131	9,755	9,700	9,700
		2019	2020	2021	2022	2023	2024	2025	2026
18	NET HW OPERATING REVENUES FROM BUDGETS:								
19	Total Charges for Service (User Fees)	\$157,694	\$56,075	\$157,094	\$259,058	\$244,370	\$273,333	\$280,718	\$284,889
20	TOTAL OPERATING REVENUES	\$157,694	\$56,075	\$157,094	\$259,058	\$244,370	\$273,333	\$280,718	\$284,889
21	User Fees paid to LZ & LC (Pass through user fees)	\$76,624	\$60,663	\$96,238	\$144,731	\$172,135	\$176,549	\$202,924	\$204,864
22	<i>Note, User Fees paid to LZ & LC are listed in Budgets as a Contractual Service Expense</i>								
23	NET HW OPERATING REVENUES	\$81,070	(\$4,588)	\$60,856	\$114,327	\$72,235	\$96,784	\$77,794	\$80,025
		2019	2020	2021	2022	2023	2024	2025	2026
24	NET HW OPERATING EXPENSES FROM BUDGETS:								
25	Personnel Services:						\$147,258.00		
26	Salaries	\$69,547.00	\$116,761.00	\$117,407.00	\$136,209.00	\$141,040.00		\$145,437.00	\$154,163.00
27	Overtime								
28	IMRF	\$7,372.00	\$13,652.00	\$14,715.00	\$14,399.00	\$14,927.00		\$14,733.00	\$15,617.00
29	FICA Matching	\$4,851.00	\$7,929.00	\$8,064.00	\$9,225.00	\$9,377.00		\$11,126.00	\$11,793.00
30	Audit Reconciliation Pension & OPEB	\$19,303.00	\$9,420.00	\$14,577.00	(\$19,978.00)	\$2,704.00			
31	Total - Personnel Services	\$101,073.00	\$147,762.00	\$154,763.00	\$139,855.00	\$168,048.00	\$147,258.00	\$171,296.00	\$181,573.00
32	<i>Note, Audit Reconciliation is not in Budgets and is taken from Audits</i>								
33	Contractual services:						\$229,987.00		
34	Contractual Maintenance	\$26,631.00	\$10,483.00	\$3,890.00	\$5,730.00	\$17,853.00		\$18,400.00	\$18,400.00
35	Cell Phone								
36	Utilities	\$4,441.00	\$3,513.00	\$3,123.00	\$3,514.00	\$3,792.00		\$5,000.00	\$5,000.00
37	Sewer Rate Study	\$1,376.00							
38	Engineering Standards	\$22,604.00							
39	Insurance Allocation	\$26,375.00	\$26,375.00	\$26,375.00	\$26,375.00	\$26,375.00		\$26,375.00	\$26,375.00
40	Other								
41	Total - Contractual Services (w/o pass through user fees)	\$81,427.00	\$40,371.00	\$33,388.00	\$35,619.00	\$48,020.00	\$53,438.31	\$49,775.00	\$49,775.00
42	<i>Note, Budget Contractual services include User Fees paid to LZ and LC, not shown here.</i>								
43	Commodities:								
44	Sanitary Sewer Supplies	\$500.00	\$5,798.00	\$348.00	\$1,318.00	\$400.00		\$5,000.00	\$5,000.00
45	Uniforms/Safety Gear								
46	Vehicle/Equipment Supplies				\$1,162.00	\$232.00		\$2,000.00	\$2,000.00
47	Total - Commodities	\$500.00	\$5,798.00	\$348.00	\$2,480.00	\$632.00	\$4,166.00	\$7,000.00	\$7,000.00
48	Capital Outlay/Maintenance:								
49	Engineering		\$2,640.00					\$1,000.00	\$1,000.00
50	Sewer Expense - LZ & LC Fee								
51	Pump Replacement							\$30,900.00	
52	Manhole Rehabilitation							\$10,000.00	\$10,000.00
53	Sewer Lining		\$5,000.00					\$22,000.00	\$22,000.00
54	Equipment		\$6,472.00			\$13,750.00		\$5,000.00	\$5,000.00
55	Other Improvements	\$54,581.00						\$3,500.00	\$3,500.00
41	Connection Fees Paid - LZ ¹								
56	Total - Maintenance	\$54,581.00	\$14,112.00	\$0.00	\$0.00	\$13,750.00	\$35,849.00	\$72,400.00	\$41,500.00
57	<i>Note, Budgets Capital Outlay includes LZ and LC Connection Fees paid, not shown here.</i>								
58	Depreciation (From Audits):								
59	Depreciation Expense	\$67,065.74	\$69,785.00	\$78,008.00	\$78,007.00	\$78,006.00	\$78,007.00	\$78,006.00	\$78,006.00
60	Total - Depreciation	\$67,065.74	\$69,785.00	\$78,008.00	\$78,007.00	\$78,006.00	\$78,007.00	\$78,006.00	\$78,006.00
61	HW NET OPERATING EXPENSES W/O DEPRECIATION W/O PASS-THROUGH USER FEES	\$237,581.00	\$208,043.00	\$188,499.00	\$177,954.00	\$230,450.00	\$240,711.31	\$300,471.00	\$279,848.00
		2019	2020	2021	2022	2023	2024	2025	2026
62	HW NET OPERATING INCOME (LOSS):								
63	HW Net Operating Revenue	\$81,070.00	(\$4,588.00)	\$60,856.00	\$114,327.00	\$72,235.00	\$96,784.31	\$77,794.00	\$80,025.00
64	HW Net Operating Expenses	\$237,581.00	\$208,043.00	\$188,499.00	\$177,954.00	\$230,450.00	\$240,711.31	\$300,471.00	\$279,848.00
65	NET OPERATING INCOME (LOSS) WITHOUT DEPRECIATION	(\$156,511.00)	(\$212,631.00)	(\$127,643.00)	(\$63,627.00)	(\$158,215.00)	(\$143,927.00)	(\$222,677.00)	(\$199,823.00)
66	ESTIMATED ADDITIONAL FEE TO COVER OPERATING INCOME LOSS (\$ per 1000 Gal)	\$24.08	\$94.61	\$20.54	\$6.28	\$17.33	\$14.75	\$22.96	\$20.60
		2019	2020	2021	2022	2023	2024	2025	2026

Line #		2019	2020	2021	2022	2023	2024	2025 ESTIMATES	2026 ESTIMATES
67	NET HW CONNECTION FEE NON-OPERATING REVENUES COLLECTED AND PAID FROM BUDGETS:								
68	Lake Zurich Connection Fees Collected	\$66,875.00	\$160,000.00	\$291,250.00	\$113,125.00	\$0.00	\$0.00	\$0.00	\$0.00
69	LZ Admin Reservation Fee Collected	\$5,880.00	\$11,760.00	\$20,580.00	\$9,240.00	\$0.00	\$0.00	\$0.00	\$0.00
70	LZ Admin Advance User Fee Collected	\$35,000.00	\$71,000.00	\$122,500.00	\$55,000.00	\$0.00	\$0.00	\$0.00	\$0.00
71	Lake County Connection Fees Collected	\$52,920.00	\$112,840.00	\$197,620.00	\$88,760.00	\$0.00	\$0.00	\$0.00	\$0.00
72	Hawthorn Woods Connection Fees Collected	\$212,500.00	\$160,000.00	\$333,000.00	\$223,000.00	\$26,000.00	\$0.00	\$5,581.40	\$55,814.00
73	TOTAL CONNECTION FEE NON-OPERATING REVENUES COLLECTED	\$373,175.00	\$515,600.00	\$964,950.00	\$489,125.00	\$26,000.00	\$0.00	\$5,581.40	\$55,814.00
74	<i>Note, 2019 Revenues from User Fees and Connection Fees do not match with Audit. Audit is lower by \$31,152.</i>								
75	LZ Connection Fees Paid	\$66,875.00	\$160,000.00	\$291,250.00	\$113,125.00	\$0.00	\$0.00	\$0.00	\$0.00
76	Lake County Connection Fees Paid	\$52,920.00	\$112,840.00	\$197,620.00	\$88,760.00	\$0.00	\$0.00	\$0.00	\$0.00
77	PASS THROUGH CONNECTION FEE NON-OPERATING EXPENSES PAID	\$119,795.00	\$272,840.00	\$488,870.00	\$201,885.00	\$0.00	\$0.00	\$0.00	\$0.00
78	NET HW CONNECTION FEE NON-OPERATING REVENUES	\$253,380.00	\$242,760.00	\$476,080.00	\$287,240.00	\$26,000.00	\$0.00	\$5,581.40	\$55,814.00
		2019	2020	2021	2022	2023	2024	2025	2026
79	OTHER HW NON-OPERATING REVENUES:								
80	Investment Income	\$5,585.00	\$2,927.00	\$849.00	\$11,402.00	\$42,934.00	\$65,998.00	\$65,000.00	\$65,000.00
81	Transfer from Other Funds (Transfer to Other Funds)							\$30,270.00	\$222,989.00
82	TOTAL OTHER HW NON-OPERATING REVENUES	\$5,585.00	\$2,927.00	\$849.00	\$11,402.00	\$42,934.00	\$65,998.00	\$95,270.00	\$287,989.00
		2019	2020	2021	2022	2023	2024	2025	2026
83	HW NON-OPERATING INCOME (LOSS):								
84	Net HW Connection Fee Non-Operating Revenue	\$253,380.00	\$242,760.00	\$476,080.00	\$287,240.00	\$26,000.00	\$0.00	\$5,581.40	\$55,814.00
85	Other HW Non-Operating Revenue	\$5,585.00	\$2,927.00	\$849.00	\$11,402.00	\$42,934.00	\$65,998.00	\$95,270.00	\$287,989.00
86	HW NON-OPERATING INCOME (LOSS)	\$258,965.00	\$245,687.00	\$476,929.00	\$298,642.00	\$68,934.00	\$65,998.00	\$100,851.40	\$343,803.00
		2019	2020	2021	2022	2023	2024	2025	2026
87	NET HW OPERATING AND NON-OPERATING INCOME (LOSS):								
88	OPERATING INCOME (LOSS) WITHOUT DEPRECIATION (LINE 65)	(\$156,511.00)	(\$212,631.00)	(\$127,643.00)	(\$63,627.00)	(\$158,215.00)	(\$143,927.00)	(\$222,677.00)	(\$199,823.00)
89	HW NON-OPERATING INCOME (LOSS) (LINE 86)	\$258,965.00	\$245,687.00	\$476,929.00	\$298,642.00	\$68,934.00	\$65,998.00	\$100,851.40	\$343,803.00
90	TOTAL HW OPERATING & NON-OPERATING INCOME (LOSS)	\$102,454.00	\$33,056.00	\$349,286.00	\$235,015.00	(\$89,281.00)	(\$77,929.00)	(\$121,825.60)	\$143,980.00
91	ESTIMATED ADDITIONAL FEE TO COVER INCOME LOSS (\$ per 1000 GaL)	\$0.00	\$0.00	\$0.00	\$0.00	\$9.78	\$7.99	\$12.56	\$0.00
92	CURRENT ASSETS - CASH AND INVESTMENTS FROM AUDITS DEC 31ST	\$1,492,270	\$1,486,144	\$1,932,148	\$2,048,966	\$1,942,524	\$1,866,433	\$1,744,607	\$1,888,587
93	TRANSFERS IN (OUT)	\$0	\$0	\$0	\$0	\$0	\$0.00		
94	YEAR OVER YEAR CHANGE IN CASH	\$153,764	(\$6,126)	\$446,004	\$116,818	(\$106,442)	(\$76,091)	(\$121,826)	\$143,980
		2019	2020	2021	2022	2023	2024	2025	2026

APPENDIX B

HAWTHORN WOODS CURRENT WATER AND SEWER ORDINANCE (CHAPTER 5 – WATER AND SEWER SERVICE)

CHAPTER 5

WATER AND SEWER SERVICE

SECTION:

4-5-1: Policy; Connection Requirements

4-5-2: Construction Regulations

4-5-3: Street Openings

4-5-4: Cross Connections

4-5-5: Requirements And Restrictions For Specific Services

4-5-5-1: Use Of Public Sewers; Treatment By Lake County

4-5-6: Water And Sewer Connection Fees

4-5-7: Sewer Charges

4-5-8: Bills For Services; Delinquencies

4-5-9: Private Systems

4-5-10: Prohibited Acts And Conditions

4-5-11: Penalty

4-5-1: POLICY; CONNECTION REQUIREMENTS:

A. Policy: The board of trustees hereby finds that the protection of the public health, safety, and general welfare requires a continuous source of safe, clean, potable water and proper sanitary sewer service.

B. General Connection Requirement: It shall be the duty of the owner and/or occupant of any dwelling, building or structure which is built after the effective date of this section and that is adjacent to any public water supply system or public sewer collection system, or later becomes adjacent to any public water supply system or public sewer collection system, to cause such premises to be connected to such system. No building or development permit shall be issued for any such dwelling, building or structure unless provisions have been made for such connection, and no certificate of occupancy shall be issued for any such dwelling, building or structure until after such connections have been made properly. All nonresidential connections to the public water supply system shall be at least two inches (2") in diameter. Water system connections for every unit within a multiple-unit development shall be individually metered.

For purposes of this chapter: 1) "public water supply system" shall be defined as any system owned and operated by a municipality, a county or by a utility company regulated by the Illinois commerce commission, 2) "multiple-unit development" shall include, without limitation, structures for townhouses, condominiums, multiple-family dwellings and industrial or commercial multiple-unit buildings, and 3) "public sewer collection system" shall be defined as any system owned and operated by a municipality, a county or by a utility company regulated by the Illinois commerce commission.

C. Adjacent Premises: For purposes of this section, premises shall be deemed to be adjacent to such public water supply system or a public sewer collection system where a water or sewer main is located in a public right of way or easement contiguous to such premises and said water main or sewer main extends along the entire frontage of such premises. Further, premises shall not be deemed to be adjacent to such water or sewer system where connection to such system would require tunneling or boring for a distance of greater than two hundred feet (200') under any roadway, building or flowing stream.

D. Application For Connection: No person shall make any connection to such public water supply system or public sewer collection system without first having filed an application for and obtained a permit from the village, and, if applicable, the governmental unit or utility company which owns such system. All connections shall be made in full compliance with all applicable statutes, codes, ordinances, agreements, rules and regulations of any governmental unit having jurisdiction over the premises. (Ord. 1092-04, 12-20-2004)

E. Variations: The board of trustees may, by ordinance, grant variations from the regulations imposed under this chapter. An application for a variation shall be filed with the chief operating officer, and shall identify the specific unique circumstances affecting the subject property and the specific detriment which would result in the absence of the requested variation. The chief operating officer shall promptly review each application and forward the same, along with recommendations thereon, to the board of trustees. No variation shall be granted unless unique circumstances affecting the subject property, not of the property owner's creation, would result in some substantial detriment in the absence of the requested variation, nor shall a variation be granted if any material detriment to the public health, safety or welfare would result therefrom. Financial hardship shall not constitute unique circumstances or a substantial detriment for the purposes of this subsection. The board of trustees may impose such conditions or restrictions upon the grant of any variation as may be necessary or appropriate to further the purpose and intent of the connection requirements of this section. (Ord. 1092-04, 12-20-2004; amd. Ord. 1290-09, 8-17-2009)

4-5-2: CONSTRUCTION REGULATIONS:

All water lines and sewer lines constructed and all water and sewer connections made shall be in accordance with the "Standard Specifications For Water And Sewer Main Construction In Illinois", of September 1978, as amended. (Ord. 1092-04, 12-20-2004)

4-5-3: STREET OPENINGS:

A fee of seven dollars (\$7.00) for each square foot of opening will be required with each permit issued to connect or reconnect to any water system or sewer system lying within a public street. The fee shall pay the cost of restoration and repair of any damage to public property. Permits to public utilities shall be in accordance with the ordinance administering franchise agreements. (Ord. 1092-04, 12-20-2004)

4-5-4: CROSS CONNECTIONS:

A. Definitions: Unless otherwise expressly stated or the context clearly indicates a different intention, the following terms shall, for the purpose of this section, have the meanings indicated in this subsection:

AGENCY: The Illinois environmental protection agency.

AGENCY'S REGULATIONS: 35 Illinois administrative code 653.

APPROVED: Those backflow prevention devices or methods approved by the Research Foundation For Cross Connection Control of the University Of Southern California, the American Waterworks Association, the American Society Of Sanitary Engineering, the American National Standards Institute, or certified by the National Sanitation Foundation.

AUXILIARY WATER SUPPLY: Any water source or system on or available to any premises, other than the waterworks system, and includes the water so supplied. Auxiliary water may include water from a public water supply system; or water from a private or emergency water supply system; or water from a source such as wells, lakes, or streams; or process fluids; or used water. Auxiliary water may be polluted or contaminated or objectionable or constitute a water supply system over which the village does not have control.

BACK SIPHONAGE: Type of backflow in a pipe or plumbing device in which used, contaminated, or polluted water flows back from a receptacle or other source into a negative pressure in such pipe or plumbing device.

BACKFLOW: The flow of water or other liquids, mixtures, or substances into the distribution pipes of a potable water supply system from any source other than the intended source of the potable water supply system.

CONTAMINATION: An impairment of the quality of the waterworks system or other potable water supply system by entrance of any substance to a degree that could create a health hazard.

CROSS CONNECTION: Any physical connection or arrangement between two (2) otherwise separate piping systems, one of which contains potable water and the other a substance of unknown or questionable safety or quality, whereby there may be a flow from one system into the other. A "direct cross connection" is a cross connection formed when the waterworks system or other potable water supply system is physically joined to a source of unknown or unsafe substance. An "indirect cross connection" is a cross connection through which an unknown substance can be forced, drawn by a vacuum or otherwise introduced into the waterworks system or other water supply system.

CROSS CONNECTION CONTROL DEVICE: Any approved assembly intended to prevent backflow into the waterworks system or other potable water supply system. The term "backflow prevention device" shall be included in the definition of cross connection control device. All devices used for backflow prevention in Illinois must meet the standards of the Illinois plumbing code and the agency.

CROSS CONNECTION CONTROL DEVICE INSPECTOR: Any person approved by the agency who is responsible for inspecting cross connection control devices.

CUSTOMER: The owner, occupant, and/or person in possession, charge or control of any premises.

CUSTOMER'S WATER SYSTEM: All parts of the water facilities beginning at the service connection used to convey water from the waterworks system to the premises, which facilities are deemed to be operated, controlled or owned by the customer.

DOUBLE CHECK VALVE ASSEMBLY: An assembly composed of single, independently acting check valves approved under ASSE standard 1015. A double check valve assembly must include tight shutoff valves located at each end of the assembly and suitable connections for testing the watertightness of each check valve.

FIXED AIR GAP: The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water and the flood level rim of the receptacle.

HEALTH HAZARD: Any condition, device, or practice in a water system or its operation resulting in a real or potential danger to a person's health and well being. The term "severe" as used to qualify "health hazard" means a hazard to the health of the user that could be expected to result in death or significant reduction in the quality of life.

ILLINOIS PLUMBING CODE: 77 Illinois administrative code 890.

INSPECTION: A plumbing inspection to examine carefully and critically all materials, fixtures, piping, and appurtenances, appliances, and installations of a plumbing system for compliance with the requirements of the Illinois plumbing code and this section.

NONPOTABLE: The quality of water that does not meet public health standards for drinking water and is not suitable for human consumption.

POLLUTION: The presence of any foreign substance (organic, inorganic, radiological, or biological) in water that tends to degrade its quality so as to constitute a hazard or impair the usefulness of the water.

POTABLE: The quality of water that meets public health standards for drinking water and is suitable for human consumption.

PREMISES: Any lot or a part of a lot, any building or a part of a building, or any parcel or tract of land.

PROCESS FLUIDS: Any fluid or solution that may be chemically, biologically, or otherwise contaminated or polluted in a form or concentration such as would constitute a health, pollution, or system hazard if introduced into the waterworks system, a customer's water system, or any other potable water supply system. This includes, but is not limited to:

1. Polluted or contaminated water;
2. Used water originating from the waterworks system which may have deteriorated in sanitary quality;
3. Cooling waters;
4. Contaminated natural water taken from wells, lakes, streams, or irrigation systems;
5. Chemicals in solution or suspension;
6. Oils, gases, acids, alkalis, and other liquid and gaseous fluids used in industrial or other processes, or for firefighting purposes.

REDUCED PRESSURE PRINCIPLE BACKFLOW PREVENTION DEVICE: A device containing a minimum of two (2) independently acting check valves together with an automatically operated pressure differential relief valve located between the two (2) check valves and approved under ASSE standard 1013. During normal flow and at the cessation of normal flow, the pressure between these two (2) checks shall be less than the supply pressure. In case of leakage of either check valve, the differential relief valve, by discharging to the atmosphere, shall operate to maintain the pressure between the check valves at less than the supply pressure. The unit must include tightly closing shutoff valves located at each end of the device, and each device shall be fitted with properly located test cocks.

SERVICE CONNECTION: The opening, including all fittings and appurtenances, at a water main of the waterworks system through which water is supplied to the customer.

SURVEY: The collection of information regarding the location of all connections between a customer's water system and the waterworks system and must include the location, type, and most recent inspection and testing date of all cross connection control devices and methods located within that customer's premises. The survey must be in written form, and should not be an actual plumbing inspection.

USED WATER: Any water supplied by the waterworks system after it has passed through the service connection.

VILLAGE: The village of Hawthorn Woods.

WATER SUPPLY SYSTEM OR WATER SYSTEM: Any water source, supply, or system, including all pipes, fittings, and control valves, as well as the water so supplied. The term "water supply system" shall not include the waterworks system, however.

WATERWORKS SYSTEM: The entire system operated, controlled, or owned by a municipality, a county or by a utility company regulated by the Illinois commerce commission of pipes, hydrants, boxes, cocks, taps, meters, connections, reservoirs, tanks, engines, property, and all appurtenances thereto, whereby water is or may be supplied to the public or to private parties within the village. The term "water service system" shall be included in the definition of waterworks system.

B. Cross Connection Prohibited:

1. **No Cross Connection:** Connections between the waterworks system or other potable water supply systems and other systems or equipment containing nonpotable water or other substances of unknown or questionable quality are prohibited except when and where approved cross connection control devices or methods are installed, tested, and maintained to ensure proper operation on a continuing basis. No physical connection shall be permitted between the waterworks system or any potable water supply system and any auxiliary water supply not of equal or better bacteriological and chemical quality as determined by inspection and analysis by the agency. There shall be no arrangement or connection by which an unsafe substance may enter the waterworks system or other potable water supply system or an auxiliary water supply approved by the director of public works and the agency.

2. **No Auxiliary Cross Connection:** No person, firm, or corporation shall establish or maintain, or permit to be established or maintained, any connection whereby an auxiliary water supply may enter the waterworks system or the customer's water system, unless such auxiliary water supply and the method of connection and use of such supply shall have been approved by the director of public works and the agency.

C. General Requirements For Cross Connection Control Devices:

1. **Permit Required:** It shall be unlawful to install, remove, or replace any cross connection control device without first

having obtained a permit therefor in accordance with the Hawthorn Woods building code.

2. **Approved Devices Only:** Only approved cross connection control devices or methods can be used to satisfy the requirements of this section. No such device or method that contains or utilizes nonmetallic checks shall be permitted.

3. **Type Of Protection:** The type of protection required shall depend on the degree of hazard that exists as follows:

a. An approved fixed air gap separation shall be installed when the waterworks system may be contaminated with substances that could cause a severe health hazard.

b. An approved fixed air gap separation or an approved reduced pressure principle backflow prevention device shall be installed when the waterworks system may be contaminated with a substance that could cause a system or health hazard.

c. An approved fixed air gap separation or an approved reduced pressure principle backflow prevention device or a double check valve assembly shall be installed when the waterworks system may be polluted with substances that could cause a pollution hazard not dangerous to health.

d. An approved fixed proper air gap separation or an approved reduced pressure principle backflow prevention device shall be installed on premises when it is impractical to determine whether cross connections exist or it is impossible to make a complete cross connection survey or on premises having a repeated history of cross connections being established or reestablished.

4. **Fire Safety Systems:** Reduced pressure principle backflow prevention devices shall be installed on fire safety systems connected to the waterworks system when:

a. The fire safety system contains antifreeze, fire retardant, or other chemicals;

b. Water is pumped into the system from a source other than the waterworks system;

c. Water flows by gravity from a nonpotable source or water can be pumped into the fire safety system from any source other than the waterworks system; or

d. There is a connection whereby a source other than the waterworks system can be introduced into the fire safety system.

All other fire safety systems connected to the waterworks system shall be protected by a double check valve assembly on metered service lines and a double detector check valve assembly on unmetered service lines.

5. **All Other Systems:** The type of cross connection control devices required for any other potable water supply system shall be equivalent to the devices used to protect the waterworks system from similar hazards, unless the director of public works permits otherwise.

D. Installation, Inspection, Maintenance, And Repair Of Cross Connection Control Devices:

1. **Prevention; Removal Of Cross Connections:** The customer shall prevent backflow and back siphonage into the waterworks system by ensuring that either all cross connections are removed or cross connection control devices are installed, inspected, maintained, and repaired.

2. **General Installation Requirements:** The customer shall ensure that a cross connection control device be installed wherever necessary to prevent cross connections to the waterworks system or any other potable water supply system. Cross connection control devices shall be installed by an Illinois licensed plumber and maintained and inspected by an Illinois licensed CCCDI as provided for in the Illinois plumbing code and the agency's regulations and in accordance with the manufacturer's instructions. The manufacturer's maintenance manual shall be available on the premises. All cross connection control devices shall be installed in a location accessible for observation, maintenance, replacement, and testing, and shall be protected against freezing and flooding.

3. **Specific Conditions Requiring Installation:** In addition to the foregoing, the customer shall ensure that a cross connection control device be installed on each service line to a customer's water system serving premises having any of the following conditions:

a. Premises for which the director of public works makes an independent determination that actual or potential hazards to the waterworks system exist.

b. Premises having an auxiliary water supply, unless such auxiliary supply is accepted as an additional source by the director of public works and the source is approved by the agency.

c. Premises on which any substance is handled that can create an actual or potential hazard to the waterworks system. Such premises shall include premises having sources or systems containing process fluids or waters originating from the waterworks system that are no longer under the sanitary control of the director of public works.

d. Premises where, because of security requirements or other prohibitions or restrictions, it is impossible or impractical to make a complete cross connection survey.

e. Premises having a repeated history of cross connections being established or reestablished.

4. **Specific Service Lines Requiring Installation:** An approved cross connection control device shall be installed on each

service line to a customer's water system serving, but not necessarily limited to, the following types of facilities, unless the director of public works determines that no actual or potential hazard to the waterworks system exists:

- a. Hospitals, mortuaries, clinics, and nursing homes;
- b. Laboratories;
- c. Piers, docks, and waterfront facilities;
- d. Sewage treatment plants, sewage pumping stations, and storm water pumping stations;
- e. Food or beverage processing plants;
- f. Chemical plants;
- g. Metal plating industries;
- h. Petroleum processing or storage plants;
- i. Radioactive material processing plants or nuclear reactors;
- j. Car washes;
- k. Pesticide, herbicide, or extermination plants and trucks;
- l. Farm service and fertilizer plants and trucks;
- m. All other commercial or industrial facilities;
- n. Any facility utilizing a heat exchanger; and
- o. All underground sprinkler systems.

5. Inspections; Maintenance: Cross connection control devices shall be inspected at the time of installation and at least annually, or more frequently if recommended by the manufacturer, by a cross connection control device inspector. The inspection of mechanical devices shall include physical testing in accordance with the manufacturer's instructions. The customer shall cause all required repairs or maintenance to be performed promptly, and in any event within three (3) days after notice that such repairs or maintenance are required.

6. Tagging: Each cross connection control device shall have a tag attached to it listing the date of the most recent test or visual inspection, the name and CCCDI number of the cross connection control device inspector, and the type and date of repairs.

7. Maintenance Log: A maintenance log shall be maintained by the customer and shall include:

- a. Date of each test or visual inspection;
- b. Name and approval number of the person performing the test or visual inspection;
- c. Test results;
- d. Repairs or servicing required;
- e. Repairs and date completed; and
- f. Servicing performed and date completed.

The customer shall forward a copy of this maintenance log to the director of public works within fourteen (14) days after its completion.

8. Costs: The installation, inspection, and maintenance of all cross connection control devices shall be at the sole cost and expense of the customer. Whenever cross connection control devices required by these regulations are defective, they shall be repaired or replaced at the sole cost and expense of the customer without delay.

9. No Bypasses Or Removal: Cross connection control devices shall not be bypassed, made inoperative, removed, or otherwise made ineffective without specific authorization by the director of public works.

E. Survey And Investigations:

1. Village Surveys; Investigations: The director of public works shall cause surveys and investigations to be made of all premises served by the waterworks system to determine whether actual or potential hazards to the waterworks system may exist. A reasonable fee covering the cost of the surveyor investigation may be levied against each customer whose premises are surveyed and investigated. Such surveys and investigations shall be made a matter of public record and shall be repeated at least once every two (2) years, or more often as the director of public works shall deem necessary. Such surveys may be conducted by telephone, mail, or personal visit to the premises and is not intended to include an actual visual inspection of piping or of plumbing systems. Records of such surveys shall be maintained and available for review for a period of at least five (5) years.

2. Information: On request by the director of public works, the customer shall furnish information regarding the piping

system or systems or water use within the customer's premises. The refusal of such information requested, shall, within the discretion of the director of public works be deemed evidence of the presence of improper connections as provided in this section.

3. Customer Surveys And Inspections: The customer shall arrange periodic surveys and inspections of his or her water system and of water use practices on his or her premises to determine whether the elements of the customer's water system comply with the Illinois plumbing code and this section and whether there are actual or potential cross connections to the customer's water system through which contaminants or pollutants could backflow into the customer's water system or the waterworks system. Such surveys and inspections shall be conducted by a duly licensed and bonded plumber and a cross connection control device inspector and shall be at the sole cost and expense of the customer, and a copy of the results shall be forwarded to the director of public works.

F. Booster Pumps: Cross connection control devices must be installed on the suction side of all booster pumps. When a booster pump has been installed on the service line to or within any premises, such pump shall be equipped with a low pressure cutoff device designed to shut off the booster pump when the pressure in the service line on the suction side of the pump drops to twenty (20) psi or less. It shall be the duty of the customer to maintain the low pressure cutoff device in proper working order and to certify to the director of public works, at least once a year, that the device is operable.

G. Cross Connection Violations:

1. Access To Premises: The customer's premises shall be open at all reasonable times to the cross connection control device inspector and the director of public works or his or her designees for the purposes of verifying the presence or absence of cross connections, inspecting the installation, testing, maintenance, and repair of cross connection control devices, verifying information submitted by the customer regarding the required cross connection control device inspection, and ensuring that the requirements of this section have been properly executed.

2. Notice To Install; Compliance: If, in accordance with the Illinois plumbing code or in the judgment of the director of public works, a cross connection control device is necessary for the safety of the waterworks system, the director of public works may, two (2) weeks after serving a written notice on the customer to install a cross connection control device, take action to terminate water service to such customer's premises if no proper cross connection control device is installed. The director of public works may, after two (2) weeks' written notice to a customer, take action to terminate water service to any customer's premises wherein any cross connection control device required by this section is not installed, tested, maintained, or repaired in a manner acceptable to the director of public works, or if it is found that the cross connection control device has been removed or bypassed, or if an unprotected cross connection exists on the premises, or if a low pressure cutoff or other device required by this section is not installed and maintained in working order, or if any person is found to be violating any provisions of this section.

3. Emergencies: If, in the judgment of the director of public works, an emergency exists whereby the waterworks system is immediately threatened, then the director of public works shall have the right to enter the premises of a customer, providing oral notice only if such is possible, and may immediately without any notice terminate water service to that customer's premises. In the event of such termination, the director of public works, as soon as practical, shall serve written notice as herein provided.

4. Content Of Notice; Service: The written notice herein provided for shall state the nature of the request or violation and shall provide a reasonable time limit for the satisfactory correction thereof. This written notice may be served by personal service or by mailing such notice upon the customer.

5. Restoration Of Service: Water service that has been terminated shall not be restored until the customer has corrected or eliminated any conditions or defects in conformance with this section and to the satisfaction of the director of public works and a reconnection fee in the amount of one thousand five hundred dollars (\$1,500.00) shall have been paid to the village.

6. No Liability Of Village: Neither the village nor the director of public works, their agents or assigns, shall be liable to any customer of the waterworks system for any injury, damages, or lost revenue that may result from the termination of a customer's water supply, whether such termination was with or without notice.

7. Liability Of Customer Or Other: Any person violating any of the provisions of this section, in addition to the foregoing, shall become liable to the village for any expense, loss, or damage occasioned by the village by reason of such violation, whether the same was caused before or after notice. If contamination of the waterworks system occurs through an illegal cross connection or an improperly installed, maintained, or repaired cross connection control device, or a cross connection control device that has been bypassed, the customer responsible for such contamination shall bear the cost of cleanup or repair to the waterworks system.

8. Penalty: Any person who violates any provision of this section shall be fined not less than one hundred dollars (\$100.00) nor more than seven hundred fifty dollars (\$750.00) for each offense. A separate offense shall be deemed to have been committed on each day during which a violation occurs or continues.

H. Minimum Requirements; Inconsistencies: The provisions of this section shall be construed to be the minimum requirements for the promotion of the public health, safety, and welfare. When the provisions of this section impose greater requirements than those of any other ordinance or regulation, then the provisions of this section shall be controlling. When the provisions of any other ordinance or regulation impose greater requirements than this section, then the provisions of such other ordinance or regulation shall be controlling. In the case of any inconsistency between any provision of this section and any provision of any other ordinance or regulation, the provision imposing the greater requirements shall be

controlling. (Ord. 1092-04, 12-20-2004)

4-5-5: REQUIREMENTS AND RESTRICTIONS FOR SPECIFIC SERVICES:

A. Fire Service Connections: All connections to the water system which service suppression equipment shall be provided with flow detection devices and central stationing alarms in accordance with village specifications.

B. Swimming Pools And Water Tanks: Abnormally large amounts of water for swimming pools or other water storage may not be drawn during conservation restriction and may not be discharged into the sanitary sewer system at any time. (Ord. 1092-04, 12-20-2004)

4-5-5-1: USE OF PUBLIC SEWERS; TREATMENT BY LAKE COUNTY:

A. This section governs the use of public sewers where sewage is treated by Lake County at the treatment facility known as the Des Plaines River water reclamation facility.

B. No person shall discharge, or cause to be discharged, any stormwater, surface water, groundwater, roof runoff, subsurface drainage, uncontaminated cooling water, or unpolluted industrial process waters to any public sanitary sewer.

C. Stormwater and all other unpolluted drainage shall be discharged to storm sewers or to a natural outlet approved by the public works director. Industrial cooling water or unpolluted process waters may be discharged, upon approval of the public works director, to a storm sewer or natural outlet.

D. No person shall discharge or cause to be discharged to a public sanitary sewer the following described substances, materials, waters, or wastes if it appears likely, in the opinion of the public works director, that such can harm either the sewers, sewage treatment process, or equipment; have an adverse effect on the receiving stream; or can otherwise endanger life, limb, public property, or constitute a nuisance. In forming his opinion as to the acceptability of these wastes, the public works director will give consideration to such factors as the quantities of such waters or waste in relation to flows and velocities in the sewers, materials or construction of the sewers, nature of the sewage treatment process, capacity of the sewage treatment plant, and maximum limits established by regulatory agencies. The substances prohibited are:

1. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.
2. Any waters or wastes containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in the receiving waters of the sewage treatment plant.
3. Any waters or wastes having a pH lower than 5.5 or higher than 9.5, or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the sewerage works.
4. Solid or viscous substance in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the sewerage system such as, but not limited to, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, woods, whole blood, paunch, manure, hair and fleshings, entrails and paper dishes, cup, and milk containers either whole or ground by garbage grinders.
5. Any liquid or vapor having a temperature higher than one hundred fifty degrees Fahrenheit (150°F) and/or sixty five degrees Celsius (65°C).
6. Oils, whether emulsified or not, in excess of one hundred milligrams per liter (100 mg/l) or containing substances which may solidify or become viscous at temperatures between thirty two degrees (32°) and one hundred fifty degrees Fahrenheit (150°F) and/or zero degrees (0°) and sixty five degrees Celsius (65°C).
7. Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of three-fourths (³/₄) horsepower (0.76 hp metric) or greater shall be subject to the review and approval of the public works director.
8. Any waters or wastes containing strong acid, iron pickling wastes, or concentrated plating solutions whether neutralized or not.
9. Any waters or wastes containing phenols or other taste or odor producing substances, in such concentrations exceeding limits which may be established by the village as necessary after treatment of the composite sewage, to meet the requirements of the state, federal or other public agencies having jurisdiction for such discharge to the receiving waters.
10. Any waters or wastes having a pH in excess of 9.5.
11. Any waters or wastes containing substances exceeding the following maximum concentrations of pollutants:

Pollutant	Maximum Concentration
Pollutant	Maximum Concentration
5 day BOD	300 mg/l
Total suspended solids	350 mg/l
Total dissolved solids	1000 mg/l
Chemical oxygen demand	500 mg/l

Ammonia	50 mg/l
Arsenic	0.1 mg/l
Borate (boron)	1.0 mg/l
Cadmium	1.0 mg/l
Chromium (hexavalent)	0.25 mg/l
Chromium (total)	4.2 mg/l
Copper (total)	1.0 mg/l
Cyanide	0.025 mg/l ¹
Iron	10.0 mg/l
Lead	0.1 mg/l
Manganese	1.0 mg/l
Mercury	0.0005 mg/l ²
Nickel	1.0 mg/l
Oil (hexane soluble)	50.0 mg/l
Phenols	0.5 mg/l
Phosphorus	25.0 mg/l
Selenium	1.0 mg/l
Silver	1.0 mg/l
Zinc	0.1 mg/l

Notes:

1. IPCB regulations, chapter 3, section 703(a).
2. IPCB regulations, chapter 3, section 702(a).
12. Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the village in compliance with applicable state or federal regulations.
13. Any mercury or any of its compounds in excess of 0.0005 milligrams per liter as Hg at any time except as permitted by the village in compliance with applicable state and federal regulations.
14. Any cyanide in excess of 0.025 milligrams per liter at any time except as permitted by the village in compliance with applicable state and federal regulations.
15. Materials which exert or cause:
 - a. Unusual concentrations of inert suspended solids (such as, but not limited to, fuller's earth, lime slurries, and lime residues) or of dissolved solids (such as, but not limited to, sodium chloride and sodium sulfate);
 - b. Excessive discoloration (such as, but not limited to, dye wastes and vegetable tanning solutions);
 - c. Unusual BOD, chemical oxygen demand, or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment works;
 - d. Unusual volume flow or concentrations of wastes constituting "slugs" as defined herein.
16. Waters or wastes containing substances which are not amenable to treatment or reduction by the sewage treatment processes employed, or are amenable to treatment only to such degree that the wastewater treatment plant effluent cannot meet the requirements of agencies having jurisdiction over discharge to the receiving waters.
 - E. If any waters or wastes are discharged, or are proposed to be discharged to the public sanitary sewers, which waters contain the substances or possess the characteristics enumerated in subsection D of this section, and/or which are in violation of the standards for pretreatment provided in chapter 1, EPA rules and regulations, subchapter D, water programs, part 403, "General Pretreatment Regulations For Existing And New Sources Of Pollution" published in Federal Register volume 43, no. 123, Monday, June 26, 1978, and any amendments thereto, and which in the judgment of the village may have deleterious effect upon the sewage works, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the public works director may reject the wastes; require pretreatment to an acceptable condition for discharge to the public sanitary sewer; require control over the quantities and rates of discharge; and/or require payment to cover the added costs of handling and treating the wastes not covered by existing sewer charges. If the public works director permits the pretreatment or equalization of wastewater flows, the design and installation of the plants and equipment shall be subject to the review and approval of the public works director and subject to the requirements of all applicable codes, ordinances, and laws.
 - F. Grease, oil, and sand interceptors shall be provided when, in the opinion of the public works director, they are

necessary for the proper handling of liquid wastes containing grease in excessive amounts, or any flammable wastes, sand, or other harmful ingredients; except that such interceptors shall not be required for private living quarters or dwelling units. All interceptors shall be of a type and capacity approved by the public works director, and shall be located as to be readily and easily accessible for cleaning and inspection.

G. Where pretreatment of flow equalizing facilities are provided, they shall be maintained continuously in satisfactory and effective operation by the owner at his expense.

H. Each industry shall be required to install a control manhole and, when required by the village, the owner of any property serviced by a building sewer carrying industrial wastes shall install a suitable control manhole together with such necessary meters and other appurtenances in the building sewer to facilitate observation, sampling, and measurement of the wastes. Such manhole, when required, shall be accessible and safely located, and shall be constructed in accordance with plans approved by the village. The manhole shall be installed by owner at his expense, and shall be maintained by him so as to be safe and accessible at all times.

I. The owner of any property serviced by a building sewer carrying industrial wastes shall provide laboratory measurements, tests, and analyses of waters and waste to demonstrate compliance with this section and any special conditions for discharge established by the village or regulatory agencies having jurisdiction over the discharge. The number, type, and frequency of laboratory analyses to be performed by the owner shall be as stipulated by the village, but no less than once per year the industry must supply a complete analysis of the constituents of the wastewater discharge to assure that compliance with the federal, state, and local standards are being met. The owner shall report the results of measurements and laboratory analyses to the village at such times and in such manner as prescribed by the village. The owner shall bear the expense of all measurements, analyses, and reporting required by the village. At such times as deemed necessary, the village reserves the right to take measurements and samples for analysis.

J. All measurements, tests, and analyses of the characteristics of waters and wastes to which reference is made in this section shall be determined in accordance with the latest edition of "Standard Methods For The Examination Of Water And Wastewater", published by the American Public Health Association and "USEPA Guidelines Establishing Test Procedures For Analysis Of Pollutants" pursuant to 40 CFR part 136 and shall be determined at the control manhole, provided or upon suitable samples taken at said control manhole. In the event that no special manhole has been required, the control manhole shall be considered to be the nearest downstream manhole in the public sewer to the point at which the building sewer is connected. Sampling shall be carried out by customary accepted methods to reflect the effect of constituents upon the sewerage works and to determine the existence of hazards to life, limb, and property. (The particular analyses involved will determine whether a 24 hour composite sample or whether a grab sample or samples should be taken. Normally, but not always, BOD and suspended solids analyses are obtained from 24 hour composite sample, whereas pHs are determined from periodic grab samples.)

K. No statement contained in this section shall be construed as preventing any special agreement or arrangement between Lake County, the village, and any industrial concern whereby an industrial waste or unusual strength or character may be accepted by the village for treatment, subject to payment therefor by the industrial concern, provided such payments are in accordance with the applicable Lake County ordinance governing sewer user service charges and industrial cost recovery. (Ord. 1256-08, 7-21-2008)

4-5-6: WATER AND SEWER CONNECTION FEES:

A. Base Fees: Fees for connection to the public water supply system and/or the public sewer collection system shall be charged per meter/water line size as follows:

Size Of Water Line/Meter Line	Hawthorn Woods		Out Of District	
	Water Connection Fee	Sewer Connection Fee	Water Connection Fee	Sewer Connection Fee
2" or less	\$ 2,000.00	\$ 4,000.00	\$ 3,000.00	\$ 6,000.00
Greater than 2" to and including 4"	7,500.00	15,000.00	11,250.00	22,500.00
Greater than 4" to and including 6"	15,000.00	30,000.00	22,500.00	45,000.00
Greater than 6" to and including 8"	20,000.00	40,000.00	30,000.00	60,000.00
Greater than 8"	28,000.00	52,000.00	42,000.00	78,000.00

"Out of district" users would be those connecting to the water supply system and/or the public sewer collection system that are not within the incorporated boundaries of the village of Hawthorn Woods.

In addition to the sewer connection fee(s) provided above, properties connected to Hawthorn Woods facilities which receive sewer treatment services through the village of Lake Zurich, pursuant to an intergovernmental agreement with Hawthorn Woods, shall pay additional charges as more fully described in section 4-5-7 of this chapter.

B. Fire Suppression Fees: Fees for connection to the public water supply system for fire suppression purposes only shall be as follows:

Size Of Water Line/Meter Line	Fire Suppression Fee
2" or less	\$ 2,000.00
Greater than 2" to and including 4"	7,500.00
Greater than 4" to and including 6"	15,000.00
Greater than 6" to and including 8"	20,000.00
Greater than 8"	28,000.00

C. Multiple-Unit Developments: Multiple-unit residential developments shall pay, in addition to the base fee provided in subsection A of this section, a fee of seven thousand five hundred dollars (\$7,500.00) per twenty five (25) units. For purposes of this section, multiple-unit residential developments shall include, without limitation, structures for townhouses, condominiums or multiple-family dwellings. Multiple-unit nonresidential developments shall pay, in addition to the base fee provided in subsection A of this section, a fee of seven thousand five hundred dollars (\$7,500.00) per unit or building. For purposes of this section, multiple-unit nonresidential developments shall include, without limitation, industrial, office or commercial multiple-unit buildings.

D. Expansion Of Existing Service: If any use with an existing connection to the water supply system shall expand, then the user shall pay the difference, if any, between the base fee set forth in subsection A of this section applicable to the original connection and the base fee set forth in said subsection applicable to the expanded use (not including capacity required solely for fire suppression purposes).

E. Additional Terms, Conditions And Charges:

1. Public Water Supply System: Owners connecting to a public water supply system will also be subject to the rates, terms and conditions of service specified in the then effective tariffs on file with the Illinois commerce commission of Aqua Illinois, Inc., or such other public utility as is operating such a system. In addition, any owner connecting to a public water supply system may be subject to recapture charges as provided for in any agreement entered into between the village and a developer providing for reimbursement of a portion of the cost of such public water supply system.

2. Public Sewer Collection System: Certain areas of the village are provided sanitary sewer service via connection to a wastewater reclamation and reuse system constructed by the developer of the Hawthorn Woods country club development. Owners connecting to said system will also be subject to the rates, terms and conditions of service specified in the then effective tariffs of Aqua Illinois, Inc., or such other public utility as is operating said system, which are on file with the Illinois commerce commission. Any owner connecting to said system may also be subject to: a) a charge for use of the excess capacity of said system and b) recapture charges as provided for in any agreement entered into between the village and the developer providing for reimbursement of a portion of the cost of the wastewater reclamation and reuse system. (Ord. 1687-16, 9-26-2016)

4-5-7: SEWER CHARGES:

A. Hawthorn Woods: Certain areas of the village are provided sanitary sewer service through the Village of Hawthorn Woods' own sewer system. Subject to the provisions of this section, the following charges shall apply for sanitary sewer services provided by the Village to residents of the Village:

1. Effective October 1, 2015, every resident user of sewer service from a Village of Hawthorn Woods' owned sewer system shall pay six dollars (\$6.00) per one thousand (1,000) gallons or fraction thereof of all metered water consumption for operation, maintenance and replacement costs. This rate will automatically adjust each January 1st, commencing with January 1, 2017, based on the actual State of Illinois Department of Revenue CPI index. This index is used by the State of Illinois in the calculation of the PTELL property tax cap limitation calculation. Notwithstanding, any imposed annual increase will have a 2% floor and a 4% ceiling.

2. Summer Capped Usage Calculation - Single Family Residential Users ONLY: During the months of November through April, sewer volumetric charges will be billed based on the actual water usage as measured by the Aqua Illinois water meter. During the months of December through March, the Village will calculate a four (4) month average "measured flow" water usage in order to determine the "summer" capped sewer usage to be applied during the summer months May through October. The lesser of the (1) actual water usage or (2) the average usage of the "measured flow" period will be utilized to bill the "summer" month's sewer volumetric charges. The specific dates will vary based upon actual meter read dates, but will generally fall within the months mentioned above. For new customers without the minimum four (4) months of usage history available to establish a measured average flow amount, sewer volumetric charges will be based upon the lesser of (1) actual water usage or (2) a default value of 3,000 gallons per month until four (4) months of actual usage is compiled during the December through March measuring period. Each summer capped consumption amount is assigned to the property for the customer that established the value and it does not transfer with a customer to another premise.

B. Lake Zurich: Certain areas of the village are provided sanitary sewer service via connection to the sewer system of the Village of Lake Zurich, pursuant to an intergovernmental agreement with the Village of Hawthorn Woods dated August 4, 2003, as may be amended from time to time. In addition to the connection charges set forth in section 4-5-6 of this chapter, customers connecting to such system shall be subject to the terms and provisions of said Lake Zurich agreement. Pursuant

to the Lake Zurich agreement, the Village of Hawthorn Woods is responsible for billing for such service. In such case, the following additional charges shall apply:

1. Connection Charges: Prior to connection to the system, each customer shall pay the connection charges that apply to users of the Lake Zurich sewer system located outside Lake Zurich's corporate limits, as such charges may be amended from time to time.

2. Basic Charge: Each customer shall pay the basic user fee charged to users located outside Lake Zurich's corporate limits, subject to adjustment as set forth in subsection 3 of this section.

3. Automatic Adjustment Of Basic Charge: The basic charge established in subsection 2 of this section includes the charge assessed to the Village of Lake Zurich by the County of Lake for sewage treatment services provided by the County of Lake. The basic charge also includes the charge assessed to the Village of Hawthorn Woods by the Village of Lake Zurich for providing sewer service to the Village of Hawthorn Woods. The basic charge established in subsection B of this section shall be adjusted automatically to reflect any increase in the charges by either the County of Lake or the Village of Lake Zurich.

4. Additional Charges: Prior to connection to the system, each customer shall pay an administrative reservation fee of one hundred twenty dollars (\$120.00) per population equivalent ("PE"). In addition, prior to connection to the system, each customer shall pay an advance user fee in the amount of twenty dollars (\$20.00) per PE or two thousand five hundred dollars (\$2,500.00), whichever is greater. For purposes of calculating the amount due under this subsection, a residential user shall be presumed to use 3.5 PE. A nonresidential user shall be presumed to use such number of PE as the village engineer approves, upon review of the proposed use of the property.

5. Inspection Fee: An inspection fee of seventy five dollars (\$75.00) per hour shall be charged for the review and inspection of the sanitary sewer facilities of each customer who desires to connect to the system. Such fee shall be paid and such review and inspection shall be conducted and Lake Zurich's approval of said facilities shall be made prior to the connection. (Ord 1597-15, 9-21-2015; amd. Ord. 1977-19, 11-25-2019)

4-5-8: BILLS FOR SERVICES; DELINQUENCIES:

A. Rendition of Bills; Payment: Bills for sewer service pursuant to Section 4-5-7 of this chapter shall be sent to the owner or owners of the premises served. Service shall be furnished to the premises only subject to the condition that there is joint and several liability among the owner of the premises and all occupants and users for the service. All bills for service shall be rendered monthly succeeding the period for which the service is billed, unless otherwise determined by the Village. All bills shall be payable at Village Hall not later than the close of business on the thirtieth day after the billing date. When the thirtieth day after the billing date is on a weekend or legal holiday; then such bills for service shall be payable no later than the next business day.

B. Delinquent Bills:

1. Late Payments, Penalty: If payment of the entire amount of a bill for sewer is not received by the Village on or before the thirtieth day after the billing date, then a late payment penalty of 10% of the unpaid balance of the bill shall be added thereto and become due and payable. Late penalties may be waived at the discretion of the Chief Financial Officer, not to exceed one occurrence per customer per calendar year.

2. Lien Procedure: Charges for sewer service may be a lien on the premises to the extent permitted by statute. Whenever a bill for sewer service remains unpaid sixty (60) days after it has been rendered, such charges shall be deemed and are hereby declared to be delinquent, and the Village Clerk may file with the recorder of deeds of Lake County a statement of lien claim. If a lien is filed, the following procedure shall be followed: The statement of lien shall contain the legal description of the premises served, the amount of the unpaid bill, and a notice that the village claims a lien for this amount as well as for all charges for sewer service subsequent to the period covered by the bill. The Village Clerk shall mail a notice to the owner of the premises stating payment is delinquent and a lien has been filed. Failure of the Village Clerk to record such lien or to mail such notice, or the failure of the owner to receive such notice shall not affect the validity of the lien or the right to foreclose the lien for unpaid sewer bills as provided in this subsection.

3. Property Sold For Nonpayment: Property subject to a lien for unpaid sewer charges shall be sold for nonpayment of the same, and the proceeds of such sale shall be applied to pay the charges, after deducting the costs, as is the case in the foreclosure of statutory liens. The village attorney shall be authorized to institute such proceedings in the name of the village in any court having jurisdiction over such matters, against any property for which the sewer bill has remained unpaid thirty (30) days after it has been rendered.

4. Village Right; Collection of Delinquent Service Charges: The village shall have the right to pursue any and all legal means of collecting delinquent service charges, whether by collection service or other method, regardless of whether a lien for such charges has been filed. (Ord. 1092-04, 12-20-2004; amd. Ord. 1977-19, 11-25-2019)

4-5-9: PRIVATE SYSTEMS:

A. Wells: Where a public water supply system is not available to serve a premises, or a connection variation is granted, such premises shall be connected to a private well, the installation, connection, maintenance and use of which shall comply with all applicable statutes, codes, ordinances, rules and regulations of any governmental unit having jurisdiction over the premises.

Once a premises has been connected to a public water supply system, no domestic water service shall be provided to such premises from a private well; provided, however, that such private well may be continued to be used for irrigation or other

nonpotable purposes only.

B. Private Sewerage Disposal Systems: Where a public sewer collection system is not available to serve a premises, or a connection variation is granted, such premises shall be connected to a private sewerage disposal system, the installation, connection, maintenance and use of which shall comply with all applicable statutes, codes, ordinances, rules and regulations of any governmental unit having jurisdiction over the premises, including, but not limited to, the county of Lake. (Ord. 1092-04, 12-20-2004)

4-5-10: PROHIBITED ACTS AND CONDITIONS:

No person, other than those authorized by the village, shall operate any curb stop, distribution valve, or fire hydrant. No person, other than those authorized by the village, shall open any sanitary manhole, lamp hole or flow control device. (Ord. 1092-04, 12-20-2004)

4-5-11: PENALTY:

Any person found to be in violation of any provision of this chapter shall be subject to the penalties contained in section 1-4-1 of this code. (Ord. 1092-04, 12-20-2004)

APPENDIX C

LAKE ZURICH RATE HISTORY

Sewer Usage Rates
Per 1,000 Gallons

	2016	2017	2018	Jan 1 to Nov 30 2019	Effective Dec 1 2019	Effective Jan 1 2020	Effective Dec 1 2020	Effective Jan 1 2021
Village of Hawthorn Woods	6.00	6.12	6.25	\$ 6.38	\$ 6.38	\$ 6.50	\$ 6.50	\$ 6.65
Village of Lake Zurich	9.53	10.81	12.31	\$ 13.80	\$ 13.80	\$ 14.20	\$ 14.20	\$ 14.20
Lake County	4.00	4.00	4.00	\$ 4.08	\$ 4.25	\$ 4.25	\$ 4.43	\$ 4.43
Total	19.53	20.93	22.56	\$ 24.26	\$ 24.43	\$ 24.95	\$ 25.13	\$ 25.28

Effective Jan 1 2022	Effective Dec 1 2022	Effective Jan 1 2023	Effective Dec 1 2023	Effective 1-Jan 2024	Effective 1-Feb 2024	Effective 1-Dec 2024	Effective 1-Jan 2024
\$ 6.82	\$ 6.82	\$ 7.29	\$ 7.29	\$ 7.76	\$ 7.76	\$ 7.76	\$ 8.02
\$ 14.20	\$ 14.20	\$ 14.95	\$ 14.95	\$ 14.95	\$ 15.40	\$ 15.40	\$ 15.40
\$ 4.54	\$ 4.68	\$ 4.68	\$ 4.86	\$ 4.86	\$ 4.86	\$ 5.06	\$ 5.06
\$ 25.56	\$ 25.70	\$ 26.92	\$ 27.10	\$ 27.57	\$ 28.02	\$ 28.22	\$ 28.48

APPENDIX D

LAKE COUNTY RATES

RECEIVED AUG 28 2024



Department of Public Works

Austin McFarlane
Director

650 W. Winchester Road
Libertyville, Illinois 60048
Phone 847-377-7500
Fax 847-984-5665
PublicWorks@lakecountvil.gov

August 21, 2024

SENT VIA FedEx and Email

Mayor Dominick DiMaggio
Village of Hawthorn Woods
2 Lagoon Drive
Hawthorn Woods, IL 60047

RE: Notice of Wholesale Sewer Rate Increase

Dear Mayor DiMaggio:

In 2023, the Lake County Public Works Department completed a system wide Rate and Connection Fee Study which was approved by the County Board on July 11, 2023. To ensure the most efficient and reliable services possible and to sufficiently cover the cost of existing and future growth throughout the County's water and sewer systems, the study results indicated the need to implement a multi-year phased-in approach increasing the County's portion of its water and sewer user and connection fee rates. The study can be found on the department's website at www.lakecountvil.gov/337/Water-Sewer-Charges-Ordinances.

This marks the second year of the multi-year rate study plan and will go into effect on December 1, 2024, for County fiscal year (FY) 2025. As part of the ongoing rate study plan, the County will be implementing a six percent (6%) increase to its water rates and a four percent (4%) increase to its sewer rates to continue to fund operations and support the Capital Improvement Program for FY2025.

Rates for the customers tributary to the Southeast (SE) Region, including users in Hawthorn Woods' service area, shall be subject to fee adjustments or increases effective December 1, 2024.

Please note that the newly adopted water and sewer connection fees and water/sewer rates in the Southeast Region do not reflect the flow component from third-party passthroughs. This published rate excludes any separate city permit or connection fees which may be required in addition.

- Lake County Wholesale Sewer Charges: Sewer charges consist of interceptor charge components. The current rate increases from \$4.86 per 1,000 gallons to

\$5.06 per 1,000 gallons. The current Residential Customer Equivalent (RCE) rate increases from \$36.47 per RCE to \$37.92.

- The LCPW Water System Connection fees in the Southeast Region remains:
 - Hawthorn Woods and Forest Lake remains \$4,510 per RE
 - General Services Area (well water) remains \$5,470 per RE

- The LCPW Sewer System Connection fees in the Southeast Region remains:
 - Diamond/Sylvan Lake remains \$8,760 per RE
 - Southeast: Ela Sector Hawthorn Woods, Long Grove, Forest Lake, Kildeer (Hawthorn Trails) remains \$10,210 per RE
 - Southeast: Lincolnshire, Lake Zurich remains \$4,030 per RE

If you have any questions regarding this matter, feel free to contact me.

Sincerely,

LAKE COUNTY PUBLIC WORKS DEPARTMENT



Austin McFarlane
Director

cc: Pamela Newton, Chief Operating Officer
Donna Lobaito, Chief Administrative Officer/Village Clerk
Danette Russell, Finance Manager
Erika Frable, Public Works Director/Village Engineer

Enclosure

REGULATIONS, GENERALLY

The rates, fees, and charges for the use and service of certain waterworks and sewerage systems of the County, billed on various cycles, shall be established in §§ 51.10 through §§ 51.28. Rates in §§ 51.16 through §§ 51.19 include pass-through rates or fees from third-party service providers or other agencies. Charges in §§ 51.16 (D) establish the monthly service charge per domestic water meter based on size. In addition to rate adjustments expressly authorized in §§ 51.16 through 51.28, to the extent that Superintendent issues bills for the collection of pass-through rates, fees, or charges payable to third-party service providers or other agencies, the Superintendent is hereby authorized and directed to timely adjust user bills to reflect changes in the pass-through rates, fees, or charges of third-party service providers or other agencies. Whenever billing adjustments result from changes in the pass-through rates, fees, or charges of third-party service providers or other agencies, the Superintendent shall cause users to be notified, in conjunction with a regular bill, of the changes in such pass-through rates, fees, or charges, which notification shall be in addition to the notification required pursuant to § 51.02 (C)

§ 51.16 METERED WATER

The rates for metered water per 1,000 gallons are:

(A) General Service Areas	FY 2024	FY 2025
(1) Residential Block 1 (1,000-2,000 gallons per month)	\$ 1.35	\$ 1.41
(2) Residential Block 2 (3,000-6,000 gallons per month)	\$ 6.50	\$ 6.89
(3) Residential Block 3 (7,000 gallons or greater per month)	\$ 7.15	\$ 7.58
(4) Non-Residential; Residential with multiple dwelling units per meter and irrigation meters	\$ 6.50	\$ 6.89

(B) CLCJAWA Service Areas (✓)	FY 2024	FY 2025
(1) Residential Block 1 (1,000-2,000 gallons per month)	\$ 0.34	\$ 0.36
(2) Residential Block 2 (3,000-6,000 gallons per month)	\$ 4.67	\$ 4.95
(3) Residential Block 3 (7,000 gallons or greater per month)	\$ 5.52	\$ 5.85

(4) Non-Residential; Residential with multiple dwelling units per meter and irrigation meters	\$ 4.67	\$ 4.95
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(C) Hawthorn Woods – Glennshire/Forest Lake (†)	FY 2024	FY 2025
(1) Residential Block 1 (1,000-2,000 gallons per month)	\$ 0.55	\$ 0.59
(2) Residential Block 2 (3,000-6,000 gallons per month)	\$ 4.95	\$ 5.25
(3) Residential Block 3 (7,000 gallons or greater per month)	\$ 6.15	\$ 6.51
(4) Non-Residential; Residential with multiple dwelling units per meter and irrigation meters	\$ 4.95	\$ 5.25

(D) Monthly Service Charge for Domestic Water Meters	FY 2024	FY 2025
(1) Up to 1"	\$ 9.85	\$ 10.45
(2) 1.5"	\$ 11.10	\$ 11.77
(3) 2"	\$ 14.35	\$ 15.21
(4) 3"	\$ 38.85	\$ 41.18
(5) 4"	\$ 47.92	\$ 50.80
(6) 6"	\$ 69.04	\$ 73.18
(7) 8"	\$ 93.13	\$ 98.72
(8) 12"	\$ 156.48	\$ 165.87

(√) Beginning December 1, 2023, the 3rd party pass-through fees for the Central Lake County Joint Action Water Agency are not included. LCPW is responsible for collecting these fees per an Intergovernmental Agreement (1989) and rates are subject to fluctuate based upon rate changes approved or passed by the agency.

(†) Beginning December 1, 2023, the 3rd party pass-through fees for Aqua Illinois, Inc. are not included. LCPW is responsible for collecting these fees per an Intergovernmental Agreement (2008) and rates are subject to fluctuate based upon rate changes approved or passed by Aqua.

METERED SEWER

The rates for metered sewer per 1,000 gallons, 2,000 gallons per month minimum are:

	FY 2024	FY 2025
(1) General Service Area	\$ 6.64	\$ 6.90
(2) Southeast Central – Libertyville Countryside Manor, North Libertyville Estates, Terre Faire ~	\$ 2.09	\$ 2.18
(3) Northeast Central – NSWRD Wildwood ^x Wildwood ^x (7,000 gallons or greater per month)	\$ 6.28	\$ 6.53
(4) Northeast Central – NSWRD Arbor Vista ^x	\$ 5.82	\$ 6.06
(5) Northwest Consolidated I	\$ 4.08	\$ 4.25
(6) Northwest Consolidated II (Remington Pt. North – base meter charge) ^	See Note (^)	See note (^)
(7) Northwest Consolidated II (Holiday Pk. & Thomas Pl.)	\$ 2.44	\$ 2.53

(^) Pass-through fees for the Village of Fox Lake. Effective January 1, 2020, LCPW assumed the responsibility of collecting these fees due to the merger with the Lakes Region Sanitary District. These rates are subject to fluctuate based upon rate changes approved or passed by the Village.

(~) Does not include 3rd party pass-through fees for the Village of Libertyville. LCPW is responsible for collecting these fees per an Intergovernmental Agreement (2010) and rates are subject to fluctuate based upon rate changes approved or passed by the Village.

(X) Does not include 3rd party pass-through fees for the Village of Grayslake. LCPW is responsible for collecting these fees per an Intergovernmental Agreement (1993) and rates are subject to fluctuate based upon rate changes approved or passed by the Village.

§ 51.18 UNMETERED WATER.

The rates for unmetered water, per single family residence or equivalent, are:

	FY 2024	FY 2025
(1) Arden Shores	\$ 16.84	\$ 17.85
(2) Countryside Lake	\$ 64.98	\$ 68.87
(3) Forest Lake	\$ 29.73	\$ 31.51
(4) Oak Terrace	\$ 48.73	\$ 51.66

§ 51.19 UNMETERED SEWER.

The rates for unmetered sewer, per single family residence or equivalent, are:

	FY 2024	FY 2025
(1) General Service Area	\$ 53.08	\$ 55.21
(2) Southeast Central – Libertyville ~	\$ 16.75	\$ 17.42
(3) Northeast Central	\$ 47.12	\$ 49.01
(4) Ravenna, Royal Melbourne, Kildeer North. Kildeer Central, Kildeer South	\$ 66.36	\$ 69.01
(5) Riverside Preserve	\$ 84.26	\$ 87.63
(6) Northwest Consolidated II	\$ 30.63	\$ 31.85
(7) Northwest Consolidated II (Duck Lake Crossing)	\$ 18.25	\$ 18.98
(8) Northwest Consolidated II (Nippersink) ^	\$ 18.25	\$ 18.98

(9) Northwest Consolidated II (Dawn Marie, Emerald Bay & Fairfield Villages) ^^	\$ 30.61	\$ 31.85
(10) Northwest Consolidated II (Ingleside)	\$ 30.63	\$ 31.85

(~) Does not include 3rd party pass-through fees for the Village of Libertyville. LCPW is responsible for collecting these fees per an Intergovernmental Agreement (2010) and rates are subject to fluctuate based upon rate changes approved or passed by the Village.

(^) Does not include 3rd party pass-through fees for the Village of Fox Lake. On January 1, 2020, LCPW assumed the responsibility of collecting these fees due to the merger with the Lakes Region Sanitary District. These rates are subject to fluctuate based upon rate changes approved or passed by the Village.

(^^) Does not include 3rd party pass-through fees for the Village of Round Lake. On January 1, 2020, LCPW assumed the responsibility of collecting these fees due to the merger with the Lakes Region Sanitary District. These rates are subject to fluctuate based upon rate changes approved or passed by the Village.

(A) The aforementioned water and sewer rates shall become effective for all billed consumption beginning December 1, 2024, for FY2025 and applied at the end of the appropriate billing cycles, unless otherwise determined by the Director of Public Works.

(B) On December 1, 2024, and December 1, each year through 2027, the water rates established in §§ 51.16 and 51.18 shall be automatically increased; by 6.0%. For FY28 the water rates established in §§ 51.16 and 51.18 shall be automatically increased; by 3.0% unless the County has performed a Rate Analysis Study to establish then current rates.

(C) On December 1, 2024, and December 1, each year through FY2028, the sewer rates established in §§ 51.17 and 51.19 shall be automatically increased; by 4.0% unless the County has performed a Rate Analysis Study to establish then current rates.

§ 51.21 ILLEGAL CONNECTION OR TURN-ON.

No person shall connect to or turn water or sewer on to any premises without permission from the county or after it has been shut off by the county.

§ 51.22 LIABILITY, LATE PAYMENT, DELINQUENCY.

(A) *Enforcement Officer.* All sections of this subchapter shall be enforced by the Director of the Lake County Public Works Department, or his or her designees.

(B) *Liability.* The owner of the premises, the occupant thereof, or the user of the service shall be jointly and severally liable to pay for all service to such premises, and service is furnished to the premises by the county only upon the condition that the owner of the premises, occupant, or user of any service are jointly and severally liable therefore to the County of Lake.

(C) *Liability for undercharges and overcharges.* In the event that there is an undercharge for service by reason of either an error involving billing procedures or metering equipment discrepancies, such undercharge shall be billed to the user, owner or occupant and collected by the county, provided, however, that the period of undercharge accumulation shall not exceed 12 months. In the event that there is an overcharge for service by reason of either an error involving billing procedures or metering equipment discrepancies, such overcharge shall be credited to the user, owner, or occupant by the county, provided, however, that the period of overcharge accumulation shall not exceed 12 months.

(D) *Late payments, penalty.* If payment of the entire amount of a bill for sewer and/or water service is not received by the County of Lake on or before the twentieth day after the billing date, then a late payment penalty of 10% of the unpaid balance of the bill shall be added thereto and become due and payable.

(E) *Delinquency.* In the event the sewer and/or water service charges including any penalty then due are not paid within 60 days after the date of billing, such charges and penalty shall be deemed and are hereby declared to be delinquent. Such delinquency shall be a violation of this subchapter and subject to enforcement and imposition of fines. Pursuant to 55 ILCS 5/5-43035, the County has the authority to charge a late fee to cover any fees or costs incurred by the County for carrying and collecting delinquent payments, with respect to attorneys or private collection agents retained by the County. A cost of collections fee of 35% of the unpaid balance due shall be applied to the unpaid balance of the bill and become immediately due and payable.

(F) *Shut off.* If sewer and/or water service charges are determined to be delinquent or an unauthorized connection is made, the water or sewer service may be shut off by the Director of the Lake County Department of Public Works. Water and/or sewer service will not be turned on until all payment, penalties and fees have been paid.

(G) *Warning of Ordinance Violation.* If any charges and/or penalties are declared to be delinquent, the Enforcement Officer shall have the authority to issue a Warning of Ordinance Violation. The Warning shall, at a minimum, identify the violation for which it is being issued, shall include the address at which the violation has occurred, shall allow the respondent to elect to pay all outstanding charges and/or penalties to abate the violation(s) within a reasonable time, and shall state that a Notice of Ordinance Violation may be issued if the warning is not adhered to as specified.

(H) *Notice of Ordinance Violation, Administrative Adjudication.* If an individual has previously been issued a Warning of Ordinance Violation or is in violation of § 51.21 and the individual fails to pay all outstanding charges and/or penalties by the date specified in the warning, the Enforcement Officer shall have authority to issue a Notice of Ordinance Violation. If Administrative Adjudication is found to be the appropriate remedy to resolve the violation, the notice must be served in accordance with and shall contain all information specified and required in §§ 94.50 through 94.66 (Lake County Administrative Adjudication Ordinance). Prior to the hearing date documented on the Notice of Ordinance Violation, the respondent may elect to pay all outstanding charges and/or penalties deemed delinquent, pay the fine listed on the Notice of Ordinance Violation, and not participate in the hearing.

(I) Liens.

(1) In the event the sewer and/or water service charges, including any penalty, are declared to be delinquent, the County of Lake shall commence with proceedings to create a lien upon the real estate to which water or sewerage service is supplied through the delinquent account in accordance with the county's authority pursuant to 55 ILCS 5/5-15021. To create this lien, the county shall send to the delinquent owner or owners of record of the real estate, as referenced by the taxpayer's property identification number:

(a) A copy of each delinquency notice sent to the person who is delinquent in paying the charges or other notice sufficient to inform the owner or owners of record; and

(b) A notice that unpaid charges or rates may create a lien on the real estate pursuant to 55 ILCS 5/5-15021.

(2) In addition, the County shall file a notice of such lien in the office of the Lake County Recorder of Deeds. This notice shall consist of a statement sworn to by an authorized officer or employee of Lake County setting out:

(a) A description of such real estate sufficient for the identification thereof;

(b) The amount of money due for such water or sewerage service; and

(c) The date when such amount became delinquent.

(3) The county shall also send a copy of the notice of lien to the owner or owners of record of the real estate, as referenced by the taxpayer's property identification number. If all of the above requirements are met, the county shall have the power to foreclose this lien in the same manner and with the same effect as in the foreclosure of mortgages on real estate.

§ 51.23 CONNECTION FEES

(A) The basic rates for connection users, per dwelling unit or equivalent thereto, to certain waterworks and sewerage systems of the County shall be established as follows:

(1) Water System Connection:	FY 2024	FY 2025
(a) General Service Areas (third-party provider)	\$ 4,510	\$ 4,510
(i) Arden Shores ² , Forest Lake ² , Hawthorn Woods ² , Mettawa ²	\$ 4,510	\$ 4,510
(b) General Service Areas (well water)	\$ 5,470	\$ 5,470

(2) Sewer System Connection:	FY 2024	FY 2025
(a) Diamond/Sylvan Lake	\$ 8,760	\$ 8,760
(b) Northeast	\$ 7,730	\$ 7,730
(c) Northeast Central (requires separate NSWRD permit and connection fee)		
(i) Highland Lake, Arbor Vista, Idlewood, Wildwood, Druce Lake, Third Lake, Grayslake retail, Gurnee retail	\$ 3,580	\$ 3,580
(ii) Grayslake wholesale ¹ , Hainesville (east) ¹ , Gurnee wholesale ¹ , Waukegan ¹	\$ 2,040	\$ 2,040
(d) Northwest		
(i) Northwest I (Fox Lake Hills ² , Petite Lake ² , Stanton Bay ² , Lakes Region Sanitary District 1,2)	\$ 3,080.0	\$ 3,080.0
(ii) Northwest II (Hainesville (west) ^{1, 2} , Lake Villa ^{1, 2} , Round Lake ^{1, 2} , Round Lake Beach ^{1, 2} , Round Lake Heights ^{1, 2} , Round Lake Park ^{1, 2})	\$ 1,540	\$ 1,540
(iii) Round Lake - Trunk Sewer Recapture Fee ³	\$ 431.12	\$ 431.12
(e) South Central		
(i) Vernon Hills	\$ 6,500	\$ 6,500
(f) Southeast		
(i) Portwine Sector: Bannockburn, Deerfield, Lincolnshire ¹ , Riverwoods	\$ 8,220	\$ 8,220

(ii) Ela Sector: Hawthorn Woods, Long Grove, Forest Lake, Kildeer	\$ 10,210	\$ 10,210
(iii) Buffalo Grove ¹ , Riverwoods ²	\$ 5,950	\$ 5,950
(iv) Kildeer, Long Grove, Pekara, Horatio Gardens	\$ 7,490	\$ 7,490
(v) Lincolnshire ¹ , Lake Zurich ¹ , Hawthorn Woods	\$ 4,030	\$ 4,030
(g) Southeast Central		
(i) Countryside Manor, Terre Faire, North Libertyville Estates	\$ 3,120	\$ 3,120
(ii) Libertyville ¹ , Green Oaks ²	\$ 1,580	\$ 1,580

(A) (1) Connection charges for commercial, industrial, and institutional users shall be based on the foregoing rates for each 250 gallons per day of design flow as determined in accordance with coefficients approved by the Director of Public Works and in accordance with all adopted agreements with communities and agencies.

(2) Connection charges in the Northeast Sewer System shall be based on 350 gallons of design flow until December 2, 2024 after which time the basis shall be 250 gallons of design flow.

(3) The Lake County Public Works Department collects the Round Lake – Trunk Sewer Retention Fee on behalf of the Lakes Region Sanitary District through 2025.

(B) The foregoing connection fees shall also be applicable and charged on a pro-rata basis whenever an existing use is changed or modified to the extent that it results in higher daily usage in accordance with Section 51.23(D)(1).

§ 51.24 ADDITIONAL RATES AND CHARGES.

The following rates and charges, for services, in addition to and supplementing those previously described by ordinance, are hereby established.

(A) General inspection fee: \$100 per inspection.

(B) Construction water: \$50 per dwelling unit or equivalent thereof.

(C) Seasonal, after-hours, or temporary service turn-off/turn-on: \$100.

(D) Force account work, contract operation and maintenance: \$65 per man-hour, regular (4-hour minimum maintenance call out); \$100 per man-hour, overtime; plus, support equipment.

(E) Water meter charges:	<u>FY 2024</u>	<u>FY 2025</u>
(1) Single-unit residential dwelling meter (5/8 in. meter or 1 in. meter	\$ 350	\$ 377
(2) 5/8 in. meter	\$ 294	\$ 313
(3) 1 in. meter	\$ 407	\$ 441
(4) 1-1/2 in. meter	\$ 967	\$ 1,151

(5) 2 in. meter	\$ 1,267	\$ 1,307
(6) 3 in. meter	\$ 2,101	\$ 2,890
(7) 3 in. meter	\$ 2,240	\$ 3,055
(8) 6 in. meter	\$ 2,553	\$ 3,453
(9) Meters over 6 in.	Cost	Cost
(F) Automatic sprinkler systems: \$0.12 per head per month.		
(G) Septage disposal fee: initial permit \$200; annual renewal \$100.		
(H) Septage disposal fee: \$40 per 1,000 gallons.		
(I) Septage decant: \$40 per 1,000 gallons.		
(J) Drying pad fee: \$250 per truckload, \$150 per sweeper.		
(K) Hydrant flow test: \$250 per hydrant.		
(L) Laboratory test fees are as follows:		

Laboratory Test Fees

Water & Waste Water	
Test	Price
Alkalinity	\$ 15.00
Biochemical Oxygen Demand (BOD)	\$ 25.00
Chlorine, Residual	\$ 15.00
Chemical Oxygen Demand (COD)	\$ 20.00
Chloride	\$ 15.00
Conductivity	\$ 12.00
Oil & Grease	\$ 50.00
Fluoride	\$ 15.00
Hardness	\$ 15.00
Nitrate	\$ 18.00
Nitrite	\$ 18.00
Nitrogen, Ammonia	\$ 15.00
Nitrogen, Total Kjeldahl	\$ 35.00
Ortho-Phosphate	\$ 18.00
pH	\$ 10.00
Phosphorous, Total	\$ 25.00
Settleable Solids	\$ 18.00
Total Suspended Solids (TSS)	\$ 18.00
Total Dissolved Solids (TDS)	\$ 18.00
Volatile Solids (VS)	\$ 18.00
Volatile Suspended Solids (VSS)	\$ 18.00
Total Solids (TS)	\$ 18.00
Sulfate	\$ 18.00
Turbidity	\$ 15.00
Total Organic Carbon (TOC)	\$ 25.00

Microbiology	
Test	Price
Fecal Coliform	\$ 25.00
Total Coliform/E. Coli (Colilert)	\$ 25.00
Total Coliform/E. Coli (MF)	\$ 25.00
Heterotrophic Plate Count (HPC)	\$ 30.00
Soil, Sludge, Solid Waste	
Test	Price
Nitrogen, Ammonia	\$ 15.00
Nitrogen, Total Kjeldahl (TKN)	\$ 35.00
Volatile Solids (VS)	\$ 18.00
Total Solids (TS)	\$ 18.00
Specific Oxygen Uptake Rate	\$ 20.00
Metals	
Test	Price
Arsenic	\$ 55.00
Barium	\$ 55.00
Boron	\$ 55.00
Cadmium	\$ 55.00
Chromium, Total	\$ 55.00
Copper	\$ 55.00
Iron	\$ 35.00
Lead	\$ 55.00
Manganese	\$ 55.00
Molybdenum	\$ 55.00
Nickel	\$ 55.00
Selenium	\$ 55.00
Silver	\$ 55.00
Zinc	\$ 55.00

*Processing fee to cover shipping and time and materials for samples that are sent to outside labs for the testing.

(M) Installation of outside AMR transmitter: \$50 per transmitter.

(N) Manual meter reads in lieu of transmitter: \$9.33 per month.

(O) Grease trap installation: \$100.

(P) Grease trap inspection: \$100.

(Q) FOG Discharge License: \$100.

(R) Non-Domestic Waste Disposal: \$40/1000 gallons.

(S) Pretreatment

(1) Pretreatment Permit: \$300

- (2) Industrial Inspection: \$65/hr.
- (3) Industrial Sampling: \$65/hr.
- (4) Permit Renewal: \$250

§ 51.25 RATE SURCHARGE FOR CERTAIN PORTIONS OF THE WATERWORKS/SEWERAGE SYSTEM.

(A) *Definitions.* For all purposes of this section, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this section, including the words and terms as defined in the preambles hereto, have the meanings assigned to them in this section and include the plural as well as the singular.

(B) *Incorporation of preambles.* The County Board hereby finds that all of the recitals contained in the preambles to this section are true and correct and does incorporate them into this section by this reference.

(C) *System surcharges.*

<u>Service Area</u>	<u>Surcharge Per</u>	<u>End Date</u>
1) North Libertyville Estates Levee Maintenance	\$5.00 month	N/A
2) Hawthorn Woods-Glennshire Water Capital Cost (address on payment plan)	\$77.00 month	Sept. 15, 2039
3) Hawthorn Woods-Glennshire Water Capital Cost (address on payment plan)	\$45.00 month	Sept. 15, 2039
4) Countryside Manor, North Libertyville Estates, Terre Faire Water Connection Charge (address on payment plan)	\$19.00 month	December, 2025
5) Countryside Manor, North Libertyville Estates, Terre Fair Water Connection Charge (address on payment plan with CDBG grant)	\$6.65 month	December, 2025
6) Northwest Regional Excess Flow Surcharge	\$1.50 month/ RCE	January, 2025

7) CLCJAWA Water Connection Charge for Grandwood Park and Fox Lake Hills water system customers	\$7.78 month	December, 2049
---	--------------	----------------

(D) Collection; recordation. Certain county staff and officers, as appropriate, are hereby directed to record this section with the Lake County Recorder's office and to undertake any necessary administrative operations to execute the collection of the one-time capital cost charge or the surcharge.

(E) Certain provisions of master rate ordinance to apply.

(1) The provisions of the master rate ordinance (§ 51.22) relating to delinquency of payment and enforcement shall apply.

(2) This section shall be attached to and included as a part of the master rate ordinance adopted in 2007, as amended.

(F) Governing law. This section shall be construed under and governed by the laws of this state.

Cross-reference:

Bonds, see TSO Table I.

SECTION 51.27. SEWER RATES.

(A) During the period of May 15 to September 15, sewer service charges for residential customers who do not separately meter the outside use of water shall not exceed 120% of the average usage for the preceding eight-month period. Where sufficient information is not available, as in the case of a new customer, average usage shall be determined from billing records of existing customers.

(B) This section shall be published and take effect as provided by law.

§51.27 WHOLESALE SEWER RATES, FEES AND CHARGES.

Wholesale sewer rates for the communities of Antioch, Buffalo Grove, Grayslake, Green Oaks, Gurnee, Hainesville, Harbor Ridge, Lake Villa, Lake Zurich, Libertyville, Lincolnshire, Riverwoods, Round Lake, Round Lake Beach, Round Lake Heights, Round Lake Park and Waukegan are established as follows:

(A) Sewer Rates (\$ per 1,000 gallons/\$ per Residential Customer Equivalent (RCE) per month).

(B) Wholesale sewer rates do not include the flow component from third-party passthroughs. Wholesale sewer rates are subject to change based on passthrough increases through 2025.

	FY 2024		FY 2025	
	\$ per 1,000 gallons	\$ per Residential Customer Equivalent (RCE) per month	\$ per 1,000 gallons	\$ per Residential Customer Equivalent (RCE) per month
1. Antioch	\$5.88	\$47.04	\$6.12	\$48.92
2. Buffalo Grove	\$4.86	\$36.47	\$5.06	\$37.92
3. Grayslake	\$4.10	\$30.72	\$4.26	\$31.95
4. Green Oaks	\$1.31	\$10.51	\$1.37	\$10.94
5. Gurnee	\$4.10	\$30.72	\$4.26	\$31.95
6. Hainesville (Northwest)	\$1.75	\$13.13	\$1.82	\$13.65
7. Hainesville (Northeast Central)	\$4.10	\$30.72	\$4.26	\$31.95
8. Harbor Ridge	\$6.06	\$29.85	\$4.14	\$31.05
9. Lake Villa	\$1.75	\$13.13	\$1.82	\$13.65
10. Lake Zurich	\$4.86	\$36.47	\$5.06	\$37.92
11. Libertyville	\$1.31	\$10.51	\$1.37	\$10.94
12. Lincolnshire	\$4.86	\$36.47	\$5.06	\$37.92
13. Riverwoods	\$6.64	\$53.08	\$6.90	\$55.21
14. Round Lake	\$1.75	\$13.13	\$1.82	\$13.65
15. Round Lake Beach	\$1.75	\$13.13	\$1.82	\$13.65
16. Round Lake Park	\$1.75	\$13.13	\$1.82	\$13.65
17. Round Lake Heights	\$1.75	\$13.13	\$1.82	\$13.65
18. Waukegan	\$4.10	\$30.72	\$4.26	\$31.95

(C) Excess Flow Surcharge

1. Fox Lake	\$1.50 per RCE per month
2. Hainesville (Northwest)	\$1.50 per RCE per month
3. Harbor Ridge	\$1.50 per RCE per month
4. Lake Villa	\$1.50 per RCE per month
5. Round Lake	\$1.50 per RCE per month

6. Round Lake Beach	\$1.50 per RCE per month
7. Round Lake Heights	\$1.50 per RCE per month
8. Round Lake Park	\$1.50 per RCE per month

(D) The aforementioned water and sewer rates shall become effective for all consumption beginning December 1, 2024, for FY2025 and applied at the end of the appropriate billing cycles, unless otherwise determined by the Director of Public Works. The wholesale sewer rates established in §§ 51.27 shall be effective December 1, 2024, and automatically increase by 4.0% for FY25 through FY28 unless the County has performed a Rate Analysis Study to establish then current rates.

§ 51.28 LAKE COUNTY AMR METER OPT-OUT POLICY.

(A) In order to modernize meter reading and billing services available to customers, Lake County is installing automated water meters (AMR) with technology that transmits data back to the county offices. This technology uses a meter transmitter that sends usage data from the customer's meter. The meter transmitter is connected by a wire and sends readings wirelessly utilizing radio frequency.

(B) Despite the many advantages of the system, the county recognizes that some customers may want to opt-out of the AMR technology. Public Works has explored two options that could be made available to customers. (However, under both options the existing meter must be replaced.)

(1) Option 1: meter transmitter installed on the outside of the house. The standard location for the transmitter is in the basement ceiling or crawlspace joist above the meter inside the house. As an alternative, the transmitter can be wired to and installed on the outside of the house. The one-time outside installation fee that will be billed to those customers who choose the outside meter transmitter installation option is established in the Public Work's applicable ordinance, which shall be amended from time to time.

(2) Option 2: no meter transmitter - manual meter read. Under this option, there would be no meter transmitter installed to send the meter data. The customer would be responsible to send their water meter reading into the Public Works office via phone or e-mail every two months, six times a year. The county would travel to and enter the customer's house and take a manual read of meter usage twice a year. In order to cover the costs of manually reading the meter, manually entering the meter data and travel costs, an annual charge established in the Public Work's applicable rate ordinance, which shall be amended from time to time, would be assessed on water bills as a monthly charge. As a consequence of this option, the customer would not benefit from leak detection notification and usage data from the customer online portal.

APPENDIX E

**EXAMPLE PAGES
FROM HAWTHORN WOODS AUDITS**

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2023

	Aquatics	Sewer	Total Enterprise Funds
CURRENT ASSETS			
Cash and investments	\$ 78,065	\$ 1,942,524	\$ 2,020,589
Accounts receivable	21,559	47,058	68,617
Total current assets	99,624	1,989,582	2,089,206
NONCURRENT ASSETS			
Capital assets			
Capital assets not being depreciated	417,459	-	417,459
Capital assets being depreciated, net	2,271,932	1,710,641	3,982,573
Net capital assets	2,689,391	1,710,641	4,400,032
Total noncurrent assets	2,689,391	1,710,641	4,400,032
Total assets	2,789,015	3,700,223	6,489,238
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	29,919	41,639	71,558
Total deferred outflows of resources	29,919	41,639	71,558
Total assets and deferred outflows of resources	2,818,934	3,741,862	6,560,796
CURRENT LIABILITIES			
Accounts payable	1,153	16,515	17,668
Wages payable	644	1,354	1,998
Other postemployment benefits	424	424	848
Revenue bonds payable	249,000	-	249,000
Total current liabilities	251,221	18,293	269,514
NONCURRENT LIABILITIES			
Advance from other funds	817,539	-	817,539
IMRF net pension liability	60,725	84,510	145,235
Other postemployment benefits	20,473	20,473	40,946
Net revenue bonds payable	366,000	-	366,000
Total noncurrent liabilities	1,264,737	104,983	1,369,720
Total liabilities	1,515,958	123,276	1,639,234
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	1,553	2,161	3,714
Total deferred inflows of resources	1,553	2,161	3,714
Total liabilities and deferred inflows of resources	1,517,511	125,437	1,642,948
NET POSITION			
Net investment in capital assets	2,074,391	1,710,641	3,785,032
Restricted for debt service	4,017	-	4,017
Restricted for repairs and maintenance	72,678	-	72,678
Unrestricted (deficit)	(849,663)	1,905,784	1,056,121
TOTAL NET POSITION	\$ 1,301,423	\$ 3,616,425	\$ 4,917,848

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

For the Year Ended December 31, 2023

	Aquatics	Sewer	Total Enterprise Funds
OPERATING REVENUES			
Charges for service	\$ 322,955	\$ 270,370	\$ 593,325
Total operating revenues	322,955	270,370	593,325
OPERATING EXPENSES			
Personnel services	277,069	168,050	445,119
Contractual services	139,958	220,156	360,114
Commodities	44,382	932	45,314
Maintenance	18,380	13,750	32,130
Depreciation	169,865	78,006	247,871
Total operating expenses	649,654	480,894	1,130,548
OPERATING INCOME (LOSS)	(326,699)	(210,524)	(537,223)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	1,619	42,936	44,555
Interest expense	(2,214)	-	(2,214)
Total non-operating revenues (expenses)	(595)	42,936	42,341
NET INCOME (LOSS) BEFORE TRANSFERS	(327,294)	(167,588)	(494,882)
TRANSFERS			
Transfers in	248,214	-	248,214
Total transfers	248,214	-	248,214
CHANGE IN NET POSITION	(79,080)	(167,588)	(246,668)
NET POSITION, JANUARY 1	1,380,503	3,784,013	5,164,516
NET POSITION, DECEMBER 31	\$ 1,301,423	\$ 3,616,425	\$ 4,917,848

See accompanying notes to financial statements.

VILLAGE OF HAWTHORN WOODS, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2023

	Aquatics	Sewer	Total Enterprise Funds
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 304,780	\$ 267,867	\$ 572,647
Payments to suppliers	(204,009)	(247,083)	(451,092)
Payments to employees	(279,910)	(170,162)	(450,072)
Net cash from operating activities	(179,139)	(149,378)	(328,517)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loan receipts	162,107	-	162,107
Transfers in	248,214	-	248,214
Net cash from noncapital financing activities	410,321	-	410,321
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on long-term debt	(246,000)	-	(246,000)
Interest paid	(2,214)	-	(2,214)
Net cash from capital and related financing activities	(248,214)	-	(248,214)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,619	42,936	44,555
Net cash from investing activities	1,619	42,936	44,555
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,413)	(106,442)	(121,855)
CASH AND CASH EQUIVALENTS, JANUARY 1	93,478	2,048,966	2,142,444
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 78,065	\$ 1,942,524	\$ 2,020,589
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (326,699)	\$ (210,524)	\$ (537,223)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	169,865	78,006	247,871
Increase (decrease) in			
Pension related items	(4,686)	274	(4,412)
OPEB related items	2,430	2,430	4,860
Accounts receivable	(18,175)	(2,503)	(20,678)
Accounts payable	(1,289)	(12,245)	(13,534)
Wages payable	(585)	(4,816)	(5,401)
NET CASH FROM OPERATING ACTIVITIES	\$ (179,139)	\$ (149,378)	\$ (328,517)

See accompanying notes to financial statements.

APPENDIX F

**EXAMPLE PAGES
FROM HAWTHORN WOODS BUDGETS**

SEWER FUND

Department Purpose

The Sewer Fund is used to record all the revenues and expenses related to the operation of the Village's sanitary sewer and lift stations for the Midlothian Road & School sewer system.

Personnel

	Actual		Proposed	
	Headcount 2023	Headcount 2024	Headcount 2025	FTE 2025
Full-Time	0	0	0	1.30
Part-Time	0	0	0	0

Revenues

Actual Fiscal Year Ended 12/31/2022	Actual Fiscal Year Ended 12/31/2023	Budget Fiscal Year Ended 12/31/2024		Proposed	
				2025	2026
748,183	270,370	278,000	Fees	252,000	240,000
11,402	42,934	25,000	Interest Income	45,000	45,000
759,585	313,304	303,000	Total Revenues	297,000	285,000

Expenditures

Actual Fiscal Year Ended 12/31/2022	Actual Fiscal Year Ended 12/31/2023	Budget Fiscal Year Ended 12/31/2024		Proposed	
				2025	2026
159,833	165,344	186,858	Personnel Services	171,296	181,573
180,350	220,156	181,775	Contractual Services	239,775	239,775
2,480	632	7,000	Commodities	7,000	7,000
201,885	13,750	66,500	Capital Outlay	72,400	41,500
58,027	58,027	-	Depreciation + NPL	-	-
602,575	457,909	442,133	Total Expenditures	490,471	469,848
		124,399	Transfer from Park Donations		
		123,815	Transfer from General Fund	30,000	
157,010	(144,605)	109,081	Net Change in Fund Balance	(163,471)	(184,848)
3,398,159	3,253,554	3,362,635	Fund Balance as of 12/31	3,199,164	3,014,316

Significant Changes

- \$12,000 decrease in Sewer Rate Study due to the Rate Study being updated in Fiscal Year 2024.

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2023 ACTUAL	2024		2025 REQUESTED BUDGET	2026 ESTIMATE
			BUDGETED	6 MONTHS ACTUAL		
SEWER FUND						
REVENUES						
FEES						
12-00-00-4-3790	SEWER USER REVENUE	244,370	230,000	107,905	230,000	240,000
12-00-00-4-3793	CONNECTION FEE-HW	26,000	48,000	-	48,000	12,000
12-00-00-4-3794	CONNECTION FEE-LZ	-	-	-	-	-
12-00-00-4-3795	CONNECTION FEE-LC	-	-	-	-	-
12-00-00-4-3796	ADMIN RESERVE FEE-LZ	-	-	-	-	-
12-00-00-4-3797	ADVANCE USER FEE-LZ	-	-	-	-	-
TOTAL FEES		270,370	278,000	107,905	278,000	252,000
INTEREST INCOME						
12-00-00-6-3810	INTEREST INCOME	42,934	25,000	31,380	51,000	45,000
TOTAL INTEREST INCOME		42,934	25,000	31,380	51,000	45,000
TOTAL REVENUES		313,304	303,000	139,285	329,000	285,000
EXPENDITURES						
PERSONNEL SERVICES						
12-00-00-1-4010	SALARIES	141,040	158,650	69,412	138,824	154,163
12-00-00-1-4040	IMRF	14,927	16,071	7,031	14,062	15,617
12-00-00-1-4090	FICA MATCHING	9,377	12,137	5,073	10,146	11,793
TOTAL PERSONNEL SERVICES		165,344	186,858	81,516	163,031	181,573

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2023 ACTUAL	2024		2025 REQUESTED BUDGET	2026 ESTIMATE
			BUDGETED	6 MONTHS ACTUAL		
CONTRACTUAL SERVICES						
12-00-00-3-4180	SEWER EXPENSE-LZ & LC FEE	172,135	120,000	75,216	185,000	190,000
12-00-00-3-4181	CONTRACTUAL MAINTENANCE	17,853	18,400	12,808	18,400	18,400
12-00-00-3-4371	UTILITIES	3,792	5,000	1,761	5,000	5,000
12-00-00-3-4372	SEWER RATE STUDY	-	12,000	-	12,000	-
12-00-00-3-4373	ENGINEERING STANDARDS	-	-	-	-	-
12-00-00-3-4377	INSURANCE ALLOCATION	26,375	26,375	13,050	26,375	26,375
TOTAL CONTRACTUAL SERVICES		220,156	181,775	102,835	246,775	239,775
COMMODITIES						
12-00-00-5-4573	SANITARY SEWER SUPPLIES	400	5,000	50	5,000	5,000
12-00-00-5-4574	VEHICLE/EQUIPMENT SUPPLIES	232	2,000	1,520	2,000	2,000
TOTAL COMMODITIES		632	7,000	1,570	7,000	7,000
CAPITAL OUTLAY						
12-00-00-8-4600	ENGINEERING	-	1,000	-	1,000	1,000
12-00-00-8-4891	PUMP REPLACEMENT	-	30,000	-	-	30,900
12-00-00-8-4892	MANHOLE REHABILITATION	-	10,000	-	-	10,000
12-00-00-8-4893	SEWER LINING	-	22,000	-	-	22,000
12-00-00-8-4894	EQUIPMENT	13,750	-	-	-	5,000
12-00-00-8-4895	OTHER IMPROVEMENTS	-	3,500	28,184	33,000	3,500
12-00-00-8-4896	CONNECTION FEES PAID-LZ	-	-	-	-	-
12-00-00-8-4898	CONNECTION FEES PAID-LC	-	-	-	-	-
12-00-00-8-4899	ADMIN RESERVE FEE PAID-LZ	-	-	-	-	-
12-00-00-8-4900	ADVANCE USER FEE PAID-LZ	-	-	-	-	-
TOTAL CAPITAL OUTLAY		13,750	66,500	28,184	34,000	72,400
TOTAL EXPENDITURES		399,882	442,133	214,104	450,806	469,848

APPENDIX G

ILL. C. C. No. 50

SECTION NO. 6

"THE SUMMER VOLUME ADJUSTMENT"

Applies To: Refer to Section No. 6, Sheet No. 1

SANITARY SEWER SERVICE

Historical Based Sewer Consumption

Applies to: All single-family residential sewer users with measured water usage from the Company.

During the months November through April, sewer volumetric charges will be billed based on actual water usage as measured by the domestic water meter.

December through March, Aqua will calculate a four (4) month average "measured flow" water usage in order to determine "summer" capped sewer usage to be applied during the summer months May through October.

The lesser of the (1) actual water usage or (2) the average usage of the "measured flow" period will be utilized to bill the "summer" month's sewer volumetric charges. The specific dates will vary depending upon actual read dates, but will generally fall within the months mentioned above.

For new customers or those without the minimum four (4) months of usage history available to establish a measured average flow amount, sewer volumetric charges will be based on the lesser of (1) actual usage or (2) a default value of 4,500 gallons per month until four (4) months of actual usage is compiled during the December through March measuring period.

- * Each summer capped consumption amount is assigned to the property for the customer that established the value and it does not transfer with a customer to another premise.

* Indicates Changes in Tariff

Issued: March 28, 2018

Effective: May 12, 2018

Issued By: Craig L. Blanchette, President
1000 S. Schuyler Ave., Kankakee, IL 60901