

WE HEAR YOU LOMBARD!

Here are some answers to your questions about the proposed Water Rate changes:

- 1. The Village said that the \$5/month capital fee will help fix infrastructure to avoid drinking water issues. Are you talking about lead contaminated drinking water like in Flint, Michigan?**

While lead in water is one of the issues that could arise when a water system is not properly maintained, there are also other concerns associated with a non-maintained water system. Lombard residents deserve to have safe drinking water. To ensure this, old pipes will need replacing as they become aged and major projects will need to take place in the next few decades. This \$5 capital fee helps the Village to plan ahead responsibly, for when those upgrades need to be made, in order to maintain Lombard's excellent drinking water quality.

- 2. Why does the water rate continue to increase?**

The Village receives its water from the City of Chicago. As Chicago raises its rates, the Village must also raise its rates in order to purchase wholesale water from the City of Chicago, and to fund operating expenses, and capital improvements.

- 3. Why does the Village need a new \$5 fixed capital fee per monthly bill? What will that money pay for?**

The proposed fixed \$5 capital fee, if approved, will be the Village's first capital fee increase in 13 years. Over the next 10 years, the amount of money needed to fund the Village's infrastructure improvements will require approximately:

- \$31,085,000 for sewer improvements
- \$14,711,000 for water system improvements,

Additionally, the Village's 2020 budgeted operating costs, including the purchase of Lake Michigan Water and sewer treatment by Glenbard Waste Water Authority, totals \$17,151,220.

The Capital Improvement Plan is a list of projects that are scheduled to take place over the next 10 years. To view the 2019 Capital Improvement Plan is available on the Village's website at:

<http://www.villageoflombard.org/DocumentCenter/View/326/2019-Capital-Improvement-Plan-PDF?bidId=>.

- 4. Why can't the Village use the tax dollars we're already paying for water and sewer projects?**

The Water and Sewer fund, by law, provides resources for only water and sewer services and is managed as an "enterprise" fund. Meaning that it is self-sufficient, just like a stand-alone business enterprise. Just like any business, as costs rise, our prices must rise to reflect the cost of providing the service.

- 5. My taxes are high. How is the Village using my tax dollars?**

It is important to remember that the Village of Lombard receives less than \$0.08 of each property tax dollar to provide for its core services. (Public safety provided by Police and Fire

Departments; streets, forestry, snow removal and more from Public Works; building and code enforcement from Community Development, and responsible long-term financial planning from the Finance Department.) Lombard's percentage of property taxes is 7.36%, followed by the Helen Plum Library at 5.60%, the Lombard Park District at 5%, DuPage County at 3.79%, and York Township at 1.09%. The majority of property taxes (77.16% or \$0.77 of every dollar) goes to the School Districts.

6. If this money is going to support aging infrastructure does that include the numerous lead water lines?

Yes, the Village's capital improvement plan includes funding for the replacement of lead sewer lines through the Lead Water Service Line Replacement Reimbursement Program that is available to property owners. The Village has determined that there are approximately 350 lead service lines. Owners of a property where a lead service line was identified during the water meter replacement program have been notified. Additional information can be found by searching "lead" on the Village's website, or at www.villageoflombard.org/documentcenter/view/3438.

7. If the Village is trying to reduce spending, have you considered the cost of the decorative banner program?

Yes. In 2018, the Village's Finance and Administration Committee recommended that the Village stop printing decorative banners and to discontinue downtown holiday décor. The banners that are currently on display are aged. In the coming months, the banner program will be discontinued.

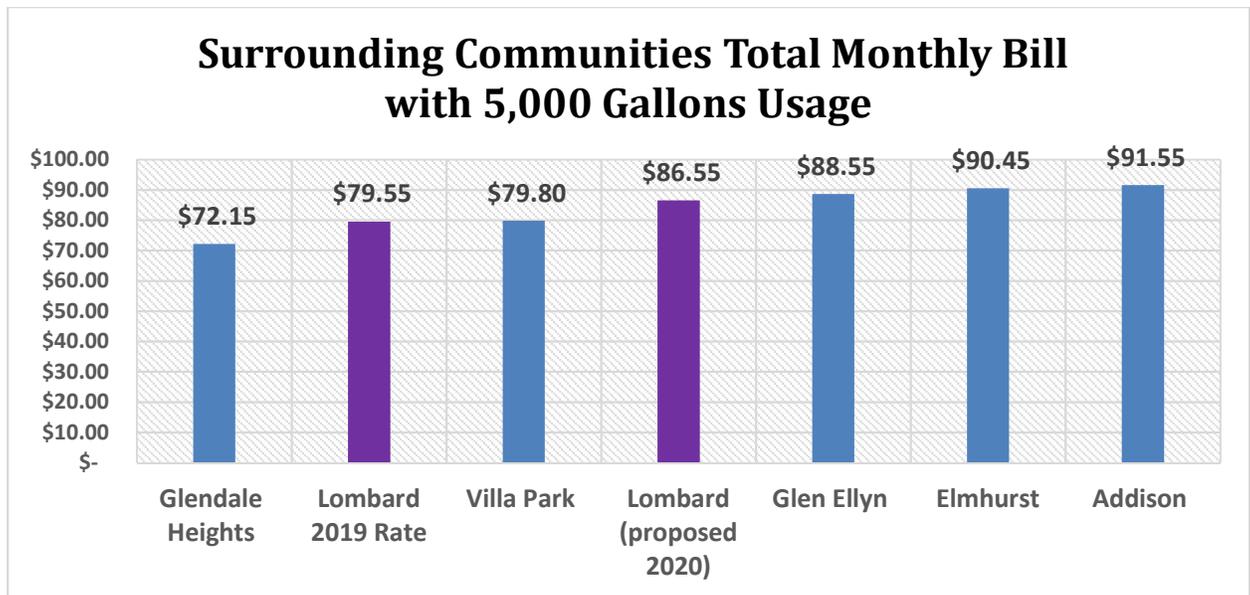
Additionally, it's important to remember that the funding for banners (Hotel Motel Sales Tax fund) cannot be used to support water and sewer operations, due to our non-home rule status.

8. What is the average water bill in Lombard now?

73% of Lombard water/utility customers use 5,000 gallons of water or less each month. A customer that uses 5,000 gallons of water each month, currently pays \$79.55, or \$159.10 bi-monthly. If the proposed water and sewer changes are approved, this bill will become \$86.55.

9. How does Lombard's water rates compare to other communities?

Below is a chart that shows water and sewer rates for comparable communities surrounding Lombard. (Downers Grove, Oak Brook, and Oak Brook Terrace are not comparable because their sewer costs are billed by a sanitary district, which is a separate government agency.)



10. I noticed a difference in my water bill after the new water meters were installed. Why is that?

The old water meters were aged and underreporting water usage of 6.4% of all water usage, leading to a \$440,000 of annual loss to the Village. The new water meters are more accurate when it comes to charging users for their usage, which has resulted in accurate billing for usage. To track your water usage in real time, sign up for the WaterSmart app at www.Lombard.watersmart.com.

11. If the Village switches to monthly billing cycle, instead of bi-monthly billing, will the extra postage and paper result in another additional cost?

The cost for the printing and mailing the additional 6 bills will be offset by other savings. In 2019, the Village finished the water meter change out program and no longer requires contracted on-site meter readers, because the meters can now be read remotely. Therefore, this savings helped to offset the cost of transitioning to monthly billing. The transition from bi-monthly to monthly billing will create a more consistent billing date for users, especially those with fixed incomes. Monthly bills will make it easier for residents to know when bills are issued and when they are due.

12. Does the Village have auto-pay options for water and sewer bills?

Yes! Water and sewer customers are encouraged to sign up for automatic bank withdrawal at www.villageoflombard.org/autopay.

13. I have questions about my water bill, or the bill of a family member. Who do I contact?

You can contact the Village at waterbilling@villageoflombard.org or call Water Billing at (630)620-5920.

14. When are residents able to provide feedback on changes to user fees?

The Village strives to remain as transparent as possible. As such, residents are always encouraged to provide feedback regarding any topic. Please call (630)620-5700 to be directed to the department who can best assist you with your Village related question. All Village meetings are open to the public and provide an opportunity for public comment. The Village shares information on upcoming meetings on its website/calendar, on social media, and in the weekly E-Pride Newsletter. Sign up at www.villageoflombard.org/epride.

15. How can I help reduce my water bill?

The Village evaluates user-based fees, such as water and sewer rates, building permit fees, commuter parking fees, to ensure that the services are self-supporting. Unlike an additional tax, i.e. the above-mentioned library tax, these fees are established on a user-based system. User fees, such as the water rate, are based upon your personal habits and consumption. If a user wishes to decrease their bill, they may consider reducing their water usage through conservation. You can find conservation tips on the WaterSmart portal at www.Lombard.watersmart.com.

16. Why did Lombard use an outside 3rd party for the water/sewer rate study and what was the cost?

The Village hired experts in order to provide an independent recommendation. The Village contracted with MFSG, or Municipal Financial Services Group. The fee for the study was \$46,430.

The three-year study was approved by the Village Board of Trustees, as a required expense in order to ensure the responsible financial planning of multi-million-dollar projects. The Village's goal is to ensure revenues are spent responsibly in order to help keep Lombard's drinking water clean and safe into the future. The rate study will help the Village to set rates to ensure available funding and to be able to prioritize future infrastructure work.

17. I live in Butterfield East and we are American Illinois Water Company customers. Would Lombard consider adding us to the Village's water service?

Butterfield East is served by Illinois American Water, a private utility company regulated by the Illinois Commerce Commission. The Village does not have the authority to unilaterally provide water service to areas that are receiving water from private companies. Additionally, the area of Butterfield East is not within the corporate limits of Lombard and is therefore not under the jurisdiction of the Village of Lombard. Please contact DuPage County with any questions you may have.

18. Why can't you use funds raised from the Library tax increase? And why did the Village use funds to build a new recreation center?

It's important to remember that Village, the Library, and the Park District are completely separate entities, with separate boards, and separate budgets. Similar to separate businesses, the Village does not control and does not have access to the revenues owned by a separate agency.

19. For people with inground sprinklers is there a way so the water used for sprinkling doesn't get charged for sewage fees?

The Village does not have plans to separately meter irrigation systems.

20. I've heard that the Village has long term budget concerns. What is the Village doing to ensure responsible spending?

The FY19 budget is based upon projected revenue from taxes and fees. Since 2017, the Village has made cumulative budget reductions of over \$3.8 million. For 2019, \$753,933 in reductions were made to various services and programs, and the restructuring of some Village positions.

In 2015, the Village was on the path to having a budget deficit of more than \$3 million by 2019. Due to the Village's ongoing focus on fiscal responsibility, the Village's 2019 budget is balanced. Moving forward, the Village will continue to face budget challenges head on and will remain focused on providing residents with a balanced budget while maintaining excellent core services.

21. Where does Lombard's water come from? Is it Lake Michigan Water or is it also mixed with well water?

Lombard receives 100% of its water from Lake Michigan, via the City of Chicago and DuPage Water Commission. By law, municipalities are prohibited from mixing Lake Michigan water with well water. More information about Lombard's water is available in the annual water report at www.villageoflombard.org/water.