

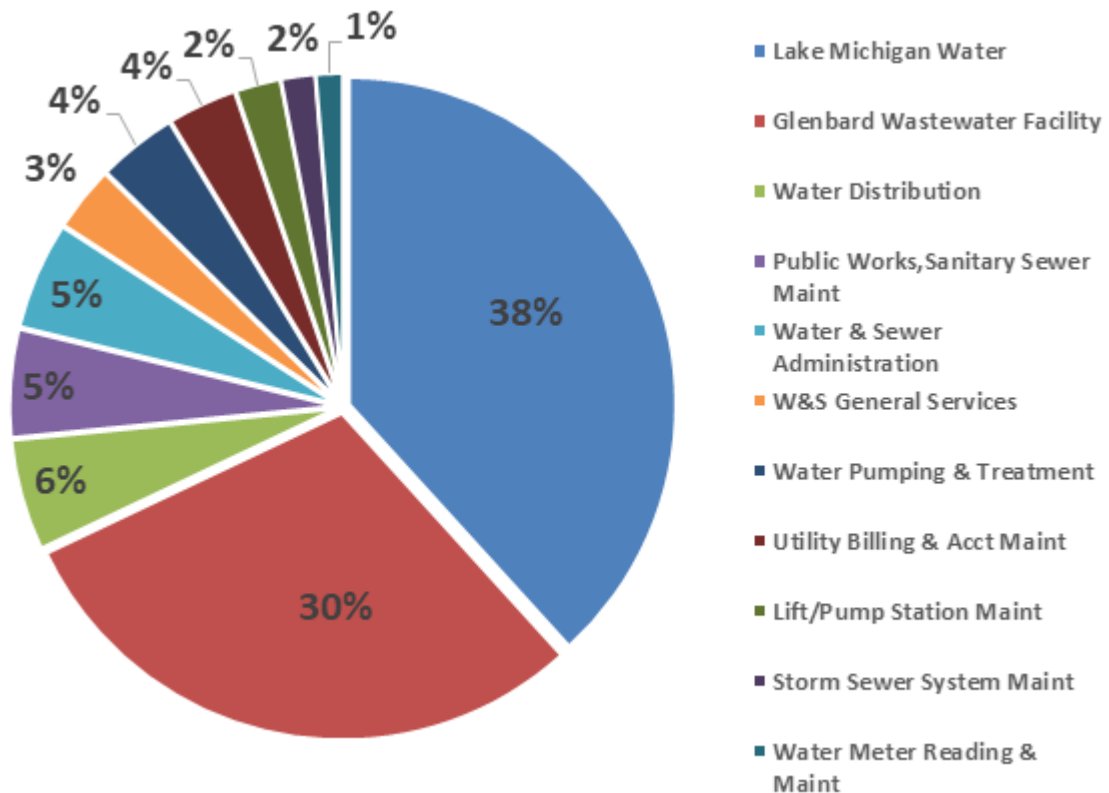


Community Questions Related to 2023 Water and Sewer Rates

1. Why is the Village raising water fees now?

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

The 2021 Water and Sewer Operation and Management Fund is broken down in the chart below. Nearly 68% (67.79%) of expenses are required payments, beyond the Village's control, to DuPage Water Commission and Glenbard Wastewater Facility for the purchase and delivery of Chicago water and the processing of wastewater. The remaining 32% maintains storm systems, waste systems, general maintenance, and the distribution of water to homes.



2. You said the average water customer will experience a rate increase of \$24 per year. How does that math break down?

The water and sewer fees are broken down into water usage, sewer usage, and a variable capital fee applied to both water and sewer, which used to help maintain the water and the sewer systems.

	Water	Sewer	Variable Water	Variable Sewer		
2023	\$8.64	\$6.26	\$0.86	\$0.74		
2022	\$8.44	\$6.16	\$0.80	\$0.70		
	\$0.20	\$0.10	\$0.06	\$0.04	= \$0.40	Total Increase

The average water customer (73% of customers) uses 5,000 gallons per month.

- **\$0.40** (Increase) X 5,000 gallons (average usage) of water per month = **\$2.00**
- **\$2.00** (average monthly increase) X 12 Months = **\$24**

3. 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 businesses, as costs rise, prices must also rise to reflect the cost of providing the service.

4. Even though the Water and Sewer fund cannot be funded by general property taxes or other Village funds, what is the Village doing to save money?

In 2016, the Village's projected budget deficit for 2020 was estimated to be at more than \$4 million. However, due to action taken by the Village Board, the Village's budget remains balanced. The Village's continued focus on fiscal responsibility includes:

- Saving more than \$660,000 in the General Fund for 2020 due to 11 vacated positions that have been frozen and remain unfilled. These positions will remain unfilled, saving an additional \$758,500 in 2023.
- Reducing expenses that were previously approved for the 2021 budget by more than \$446,000.
- The 2019 Village Board approval to allow cannabis dispensary facilities in Lombard. On August 20, 2020, the Village approved an application for a recreational cannabis facility to open at 738 E. Butterfield Rd. It is estimated that this facility may generate more than \$350,000 in tax revenue in 2023.
- Responsible funding of the Village's reserve fund for unforeseen financial crises.

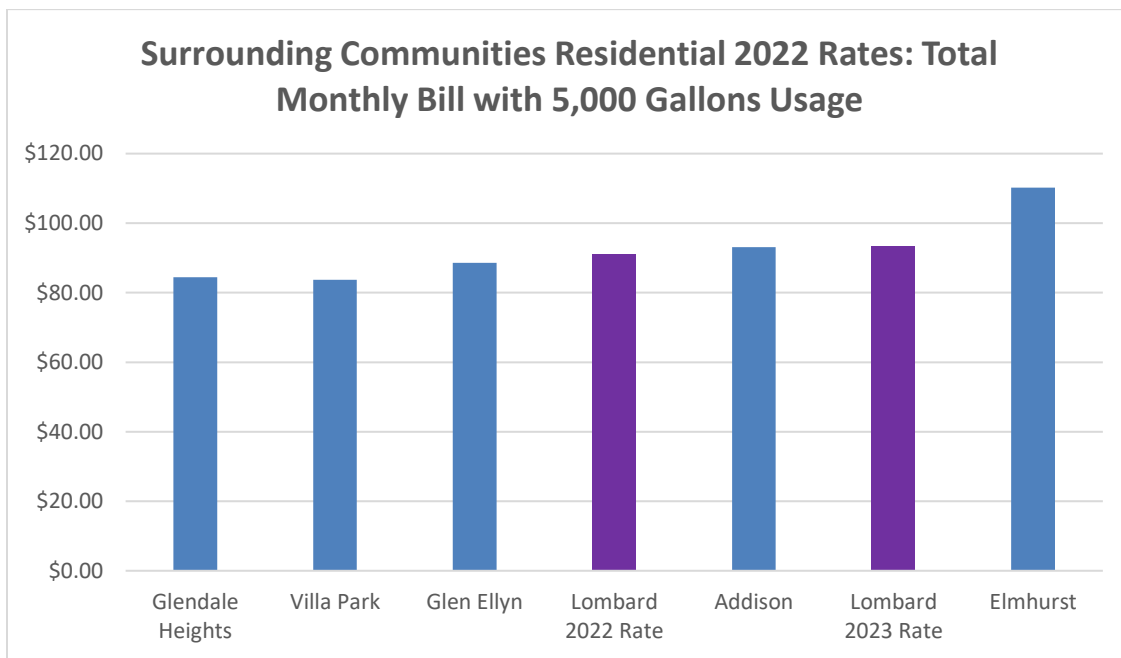
For detailed information on the 2023 Budget, Capital Improvement Plan, and 2023 Property Tax Levy, please visit www.villageoflombard/budget.

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. How does the Village of Lombard’s water rates compare to other communities?



**Oakbrook, Oakbrook Terrace, and Downers Grove are not comparable because they are billed for sewer by a sanitary district which is a separate taxing entity

7. If this money is going to support aging infrastructure does that include 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. In 2019 the Village 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.

8. 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 <https://lombard.watersmart.com>.