



# City of Chicago



O2022-2050

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 7/18/2022

**Sponsor(s):** Dept./Agency

**Type:** Ordinance

**Title:** Amendment of Municipal Code Chapters 2-164, 3-12, 7-28 and 11-12 regarding water shutoffs, water privatization and associated reporting

**Committee(s) Assignment:** Committee on Budget and Government Operations



CITY OF CHICAGO

DEPARTMENT OF FINANCE

July 18, 2022

TO THE HONORABLE, THE CHAIRMAN AND  
MEMBERS OF THE CITY COUNCIL COMMITTEE ON  
THE BUDGET AND GOVERNMENT OPERATIONS

Ladies and Gentlemen:

I transmit herewith an ordinance amending Chapters 2-164, 3-12, 7-28 and 11-12 of the Municipal Code regarding water shutoffs, water privatization, and associated reporting.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

*Reshma Soni*

Reshma Soni  
Comptroller

## ORDINANCE

### BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

**SECTION 1.** Chapter 2-164 of the Municipal Code of Chicago is hereby amended by adding a new Section 2-164-110, as follows:

#### **2-164-110 Prohibition of privatization of Chicago Waterworks.**

Notwithstanding any provision of this Code to the contrary, the City is expressly prohibited from entering into a Transaction involving the Chicago Waterworks, as defined by Section 18-29-202, or the sewerage system of the City of Chicago.

**SECTION 2.** Chapter 3-12 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

#### **3-12-030 Unified statement of charges.**

(a) The rates and charges calculated and applied to the billed party shall be added to and separately recited upon a unified statement of charges. The unified statement of charges shall be prepared and sent to the billed party in such time periods as established by the ~~comptroller~~ Comptroller and shall be subject to section 11-12-480(e). All revenues received in payment of sewer use rates, charges and penalties shall be deposited to the sewer revenue fund. ~~Whenever any sewer use charges shall remain unpaid after the expiration of 30 days from the date of such statement the water supply for the premises so serviced and delinquent shall be subject to termination, and the service shall not be resumed until all sewer bills in arrears shall have been paid, including accrued penalties, and all applicable fees set out in Section 11-12-120 have been paid for termination and resumption of water supply service. The comptroller~~ Comptroller shall enforce the provisions of this section. Pursuant to section 2-106-040, the Commissioner of the Department of Water Management shall maintain the power and duties over the sewerage system of the City of Chicago; ~~provided that the commissioner of water management shall be responsible for the termination or resumption of the water supply service.~~

(b) For purposes of this chapter, "unified statement of charges" has the same definition ascribed to that term in section 11-12-010.

#### **3-12-070 Late payment penalty.**

(a) A late payment penalty assessed at a monthly rate of one and one-quarter percent shall be imposed on all sewer usage fees billed under Section 3-12-060 for which payment in full is not received within 24 calendar days from the date the bill for such charges was sent as shown by the records of the department of finance and shall be subject to section 11-12-480(e). Where the correctness of a rate or charge imposed under this chapter is disputed and where complaint of such incorrectness has been made prior to the time the usual penalty would be imposed, and where the adjusting of such complaint requires additional time, the penalty may be held in abeyance up to and including the tenth day succeeding the resending of such bill.

(b) The rates and charges calculated and applied under Section 3-12-060 shall be recited upon a unified statement of charges. The unified statement of charges shall be prepared and sent to the billed party in such time periods as established by the ~~comptroller~~ Comptroller. All

revenues received in payment of such sewer use rates, charges, and penalties shall be deposited to the sewer revenue fund established under Section 3-12-010. ~~Upon notice from the comptroller to the commissioner of water management that such sewer use charges shall remain unpaid after the expiration of 30 days from the date of such statement, the sewer service for the premises so serviced and delinquent shall be subject to termination by the commissioner of water management, and the service shall not be resumed until all sewer bills in arrears shall have been paid, including accrued penalties, and an amount equal to the actual costs of disconnection and reconnection shall have been paid for termination and resumption of service. Except as otherwise provided herein, the comptroller~~ Comptroller shall enforce the provisions of this section. Pursuant to section 2-106-040, the Commissioner of the Department of Water Management shall maintain the power and duties over the sewerage system of the City of Chicago; ~~provided that the commissioner of water management shall be responsible for termination or resumption of the sewer service.~~

~~(c) — An accrued past due sewer service liability in excess of \$10,000.00 may subject the owner of the subject property to an additional penalty, to be imposed in a separate hearing, in an amount not less than \$50.00 and not more than \$500.00 for the delinquency. Each day that a past due service liability exceeds \$10,000.00 shall constitute a separate delinquency. In determining whether to impose this additional penalty, the hearing officer may consider all reasons for the failure to make timely payment. The amount of this additional penalty does not include the delinquent amount owed for sewer service and any applicable late payment penalties, nor does it affect any other remedies of the city pursuant to the provisions of this Code, including the right to a lien on the subject property.~~

~~(d)(c)~~ Charges for sewer service hereunder shall be a lien upon the premises served pursuant to the law thereto pertaining. When such charges have been delinquent for a period of 60 days, the ~~comptroller~~ Comptroller may cause a statement of lien to be recorded against the premises served and delinquent in the form and manner provided by law. The failure to record such a lien or to send notice thereof shall not affect the right of the city to foreclose or adjudicate such lien, by an equitable action in accordance with the statutory requirements therefor and in the same manner as provided for water service in Section 11-12-490, et seq., of this Code. The ~~comptroller~~ Comptroller shall execute releases of such liens on behalf of the city upon receipt of payment thereof.

**SECTION 3.** Section 7-28-235 of the Municipal Code of Chicago is hereby amended by inserting the language underscored, and by deleting the language struck through, as follows:

**7-28-235 City refuse collection – Fee.**

*(Omitted text is unaffected by this ordinance)*

(b) Except as otherwise provided in subsection (c) of this section, the owner of any dwelling unit or property required to have City refuse collection pursuant to this section shall be responsible for payment of a refuse collection fee of \$9.50 per month per dwelling unit or per property for those properties subject to subsection (a)(2). The billing of the refuse collection fee and penalties authorized by this section shall be added to and separately recited upon a unified statement of charges, as that term is defined in Section 11-12-010. The unified statement of charges shall be prepared and sent to the billed party in such time periods as established by the Comptroller and shall be subject to Section 11-12-480(e).

*(Omitted text is unaffected by this ordinance)*

~~(e) Whenever any refuse collection fee remains unpaid after the expiration of 24 days from the date of the unified statement of charges statement the water supply for the premises shall be subject to termination by the Commissioner of Water Management, and the service shall not be resumed until all accrued refuse collection fees and penalties in arrears has been paid and an amount equal to the actual costs of disconnection and reconnection shall have been paid for termination and resumption of service. The Commissioner of Water Management shall be responsible for termination or resumption of the sewer service.~~

~~(f)~~(e) (1) Unless otherwise provided by law or rule, a full payment certificate for refuse collection charges is required in all transfers of real property whether such transfers are subject to or exempt from the real property transfer tax pursuant to Chapter 3-33 of this Code. In order to obtain a full payment certificate for refuse collection charges, an application with an application fee of \$50.00 shall be made to the Comptroller. Provided, however, if the property is exempt from the real property transfer tax, the full payment certificate application fee shall not be charged. If a full payment certificate was required and such certificate was not obtained when the real property was transferred, both the transferor and the transferee will be jointly and severally liable for any outstanding refuse collection charges and penalties that have accrued.

(2) Before control of a property subject to the Illinois Condominium Property Act is transferred from the developer to the board of managers, a certificate of payment for full payment of refuse collection charges shall be obtained from the Comptroller upon application and payment of an application fee of \$50.00. Such certificate of payment shall be obtained within 30 days prior to the election of the first unit owner board of managers. The terms used in this section shall have the same meanings as those in the Illinois Condominium Property Act. Subsequent transfers of a unit within a condominium building subject to this section require a certificate of payment.

Where a townhome or condominium association's assessments include the individual owner's share of the refuse collection charge, the Comptroller may issue a certificate of condo or townhome owner payment upon application and payment of an application fee of \$50.00.

**SECTION 4.** Chapter 11-12 of the Municipal Code of Chicago is hereby amended by adding a new Section 11-12-015, by inserting the language underscored, and by deleting the language struck through, as follows:

**11-12-010 Definitions.**

*(Omitted text is unaffected by this ordinance)*

"Unified statement of charges" means the statement sent to the billed party showing amounts due for refuse collection, water and/or sewer charges assessed or charged under: (i) Chapter 11-12 for water taxes, rates or rents, or charges for installation or disconnection of water service; (ii) Chapter 3-12 for sewer service and sewerage usage; and (iii) Article II of Chapter 7-28 for refuse collection.

**11-12-015 Termination authority of the Commissioner.**

(a) The Commissioner is authorized to terminate any water service supplied by the City if:

(1) the Commissioner determines that said service is causing waste, abuse of water supply, or any danger to public health, safety, or the general well-being of the Chicago Waterworks System; or

(2) any unified statement of charges of any other municipality, industrial establishment, as defined by Section 17-17-0275, or commercial establishment, as defined by Section 17-17-0235, remains unpaid after the expiration of 30 days from the date of the unified statement of charges unless otherwise provided by contract or subject to an approved payment plan with the Department of Finance, and the service shall not be resumed until all unified statements of charges in arrears shall have been paid, including accrued penalties, and all applicable fees set out in Section 11-12-120 have been paid for termination and resumption of water supply service.

(b) The Commissioner may promulgate rules to establish procedures for enforcement of this Section.

**11-12-060 Private persons supplying water.**

No person, whether owner or occupant, or in possession, charge or control of any building, structure or premises into which water service is introduced or to which water is supplied through the Chicago Waterworks System, shall be allowed to supply other persons or families, or to supply any water from such building or premises to a building, structure or premises other than the one for which such water service is introduced, unless a permit from the ~~commissioner~~ Commissioner shall first have been secured.

If any person, either as owner or occupant, or in possession, charge or control of any such building, structure or premises, violates any of the provisions of this section, the supply of water to the building, structure or premises of such person shall be shut off and stopped forthwith, and any amount which shall have been paid for water service shall be forfeited to the ~~city~~ City. Where the water service shall be cut off for a violation of the provisions of this section, it shall not be turned on again until either: (1) there shall have been paid to the city City such sum of money as the commissioner Commissioner shall deem properly due for the amount of water furnished or used in violation of the provisions of this section, and until the expense for cutting off the water service on account of such violation shall have been paid; or (2) the owner or occupant enters into an approved payment plan with the Department of Finance for said amounts.

**11-12-125 Water supply shut off.**

(a) Upon written notice of the ~~building commissioner~~ Building Commissioner that a building is vacant and upon the ~~building commissioner's~~ Building Commissioner's request to the ~~department of water management~~ Department of Water Management to shut off the water supply to the building, the ~~department~~ Department of Water Management shall shut off the building's water service supply and provide notice to the ~~department of finance~~ Department of Finance that all applicable fees, including a water shut off fee, as determined by the ~~department of water management~~ Department of Water Management, shall be billed and collected by the ~~department of finance~~ Department of Finance. The ~~department of finance~~ Department of Finance shall thereafter cease billing and charging of all prospective water fees and charges included in the unified statement of charges against the person responsible for the water account of the building from the time the water supply is shut off until such time as the water supply is restored.

(b) Upon written notice of the ~~department of buildings~~ Department of Buildings to the ~~department of water management~~ Department of Water Management, or upon notice of the building owner to the ~~department of water management~~ Department of Water Management, that the building is no longer vacant, the ~~department of water management~~ Department of Water Management shall restore water supply to such building and provide notice to the ~~department of finance~~ Department of Finance to resume billing and charging of water all fees and charges included in the unified statement of charges against the person responsible for the water account established for the building; provided, however, no water supply shall be restored unless all outstanding ~~water and sewer~~ fees and charges included in the unified statement of charges, including a water restoration fee as determined by the ~~department of finance~~ Department of Finance, are paid in full, or the owner or occupant enters into an approved payment plan with the Department of Finance for said amounts~~an arrangement for their payment is made~~.

(c) If water supply that is shut off in accordance with this section is illegally restored, the ~~department of water management~~ Department of Water Management shall cause an unauthorized water restoration fee to be charged in accordance with Section 11-12-485 of this Code, and the ~~department of finance~~ Department of Finance shall pro-rate the ~~water bill~~ unified statement of charges for such building calculated in accordance with Sections 11-12-270 and 11-12-280, or 11-12-310 and 11-12-320 of this Code from the end of the last billing period prior to the water shut off.

(d) It shall be the responsibility of the owner of the vacant building to vacate, repair and maintain water supply pipes on private property leading to or located within such building.

#### **11-12-220 Metered and unmetered service for same premises.**

The ~~commissioner~~ Commissioner shall not permit any building, structure or premises which is or are controlled by meter to have in any portion thereof a pipe connected with the city ~~City~~ waterworks system which is not also controlled by meter.

If it shall be found that any portion of such building, structure or premises is not controlled by meter, the owner, agent or person in possession, charge or control thereof shall be notified to bring such portion under meter control within ten days from date of such notice, and upon failure to do so, the supply of water shall be shut off. The ~~commissioner~~ Commissioner shall assess the amount due for the water service used in violation of the provisions of this section and the cost and expense of cutting off or stopping such water supply and advise the ~~comptroller~~ Comptroller of the total amount assessed. No water service shall be turned on until the total amount assessed, and any late charges or other charges authorized by this code are paid, as determined by the ~~comptroller~~ Comptroller; or the owner or occupant enters into an approved payment plan with the Department of Finance for said amounts determined by the Comptroller.

#### **11-12-480 ~~Delinquent payments.~~ Payment allocation.**

~~(a) Any water charges that remain unpaid after the expiration of 30 days from the date of the bill for such charges shall be subject to termination, and the service shall not be resumed until all water bills in arrears shall have been paid, including accrued penalties, and all applicable fees set out in Section 11-12-120 have been paid for termination and resumption of water supply service. If, however, at any time that the premises are visited for this purpose they shall be found vacant, so that said cutting off would not be liable to serve the purpose of enforcing collection, said cutting off shall not be mandatory if, because of the shutoff rod box or the stopcock being out~~

of repair, such act entails the expenditure of any sum for labor or material disproportionate to the amount of such delinquent rates.

~~(b) In any situation where the shutting off of water service is liable to involve the city in litigation, or where the property involved is in the hands of a court, such shutting off may be postponed pending advice from the corporation counsel; or if such shutting off would be productive of public danger, or would create a pestilent situation, or would entail suffering by a great number of persons who are not liable for the payment of the delinquent bill, or where the premises involved are the property of the United States, or the State of Illinois or of any of its political subdivisions, such shutting off may be withheld if in the judgment of the commissioner the withholding of such shutting off best serves the interests of the City of Chicago. In any such situation where the past due service liability exceeds \$10,000.00, the owner of the property may also be subject to an additional penalty, to be imposed in a separate hearing, in an amount not less than \$50.00 and not more than \$500.00 for the delinquency. Each day that a past due service liability exceeds \$10,000.00 shall constitute a separate delinquency. In determining whether to impose this additional penalty, the hearing officer may consider all reasons for the failure to make timely payment. The amount of this additional penalty does not include the delinquent amount owed for water service and any applicable late payment penalties, nor does it affect any other remedies of the department pursuant to the provisions of the Municipal Code, including the right to a lien on the subject property.~~

(e) Whenever a payment is made for charges on a unified statement of charges and such payment does not cover the full amount of the current charges or any unpaid charges from a prior unified statement of charges, any amount paid shall be allocated pro-rata among the unpaid charges, including any associated penalties, oldest statements first. For purposes of this Section 11-12-480(e), the term "charges" shall include the Chicago Water and Sewer Tax imposed by Chapter 3-80 of this Code.

**11-12-486 Report on water shutoffs Annual water report.**

On or before February 1 of each year, the ~~commissioner~~ Commissioner and ~~comptroller~~ Comptroller shall submit a report to the ~~committee on finance~~ Committee on Finance and the ~~committee on the budget and government operations~~ Committee on the Budget and Government Operations concerning water shutoffs conducted pursuant to Section 11-12-015 for non-payment of delinquent accounts during the prior calendar year. The report shall indicate the number of shutoffs by category of shutoff as authorized pursuant to Section 11-12-015. The report shall also indicate the total dollar amount of arrears for each of the following types of uses property classifications:

- (a) Single-family dwellings;
- (b) ~~Two to~~ 12-unit residential structures;
- (c) Three-unit residential structures;
- (d) Four-unit residential structures;
- (e) Five-unit residential structures;
- (f) Six to 12 unit residential structures;



- (eg) More than 12 unit residential structures;
- (dh) Combination of residential and commercial structures;
- (ei) Commercial structures;
- (fj) Industrial structures.

The report shall also indicate, for each type of ~~use~~ property classification listed above, (1) the number of metered and non-metered accounts that were shutoff, and (2) the total amount of money owed to the city at the time the shutoffs occurred for the type of use; (2) the number of meters installed by the City on previously unmetered properties; and (3) the number of water accounts in arrears and dollar value in arrears at 30, 60, 90, 180, and 365+ days past due. The report shall also evaluate the Utility Billing Relief program's effectiveness in achieving its stated purpose, including by indicating the number of applicants for the program and the number of accounts enrolled in the program. The Commissioner or the Comptroller shall publish the report on the City website in a manner accessible for public review. When applicable, the report shall categorize the information by ZIP Code.

**11-12-510 Cumulative remedies.**

The remedy by enforcement of the lien for unpaid water bills and charges as provided in Sections 11-12-490 and 11-12-500 of this Code shall not be exclusive of any other legal remedy to collect the amount due and unpaid for water consumed or furnished to, or water service installed or disconnected for, the person liable therefor. ~~The water supply of the premises against which assessed rates or rents remain unpaid may also be cut off as provided in Section 11-12-480 of this Code; provided, that if more than four months shall have elapsed since the assessed rates or rents have become due and payable, the water supply of such premises shall not be cut off unless suit shall have been commenced or a claim for lien shall have been filed as provided in Sections 11-12-490 and 11-12-500 of this Code, or unless the person liable for the unpaid water bills is the owner, occupant or person in possession or in control of such premises when the supply of water is cut off.~~

**11-12-545 Utility billing relief program.**

- (a) Title. This section shall be known and cited as the Utility Billing Relief Program.
- (b) Purpose. The Utility Billing Relief Program is intended to address City water and sewer bills for the most vulnerable, low-income homeowners, especially those with past due debt, ~~who are at risk of having their water service shut off.~~

*(Omitted text is unaffected by this ordinance)*

- (d) Program.
  - (1) Eligibility. A Homeowner who is eligible to participate in the UBR and applies to the Comptroller may become a Participant. In order to become a Participant, a Homeowner must own and occupy the single-family or two-unit residence in the City of Chicago for which participation in the UBR is sought, and must meet the eligibility criteria to participate in the LIHEAP with the exception of any United States citizenship requirement; provided, however,

that a Homeowner does not need to participate in the LIHEAP in order to be eligible for the UBR. A Homeowner who receives an exemption under Section 3-12-050 shall not be eligible to simultaneously participate in the UBR. A Participant who does not successfully complete the UBR two times shall no longer be eligible to participate in the UBR.

(2) Billing and payment. Upon acceptance and enrollment in the UBR, the City shall bill, and the Participant shall pay, the Reduced Rate for a period of one year in order to successfully complete the UBR. A Participant shall not be required to make any payment toward a past due balance while enrolled in the UBR. During participation in the UBR, a Participant is exempt from ~~having water shut off~~; the assessment of additional penalties and interest on any past due charges incurred before becoming a Participant, or charges incurred while a Participant; and referral for debt collection.

*(Omitted text is unaffected by this ordinance)*

~~(g) — On August 1st of each year that the UBR is in effect, the Comptroller shall provide a report to the City Council Committee on Finance evaluating the UBR's effectiveness in achieving its stated purpose.~~

#### **11-12-710 Termination.**

All rights and privileges of the applicant to receive such water supply and service may be terminated by the ~~mayer~~ Mayor in his the Mayor's discretion, and may be terminated by the ~~commissioner~~ Commissioner at any time upon ~~the failure of such applicant to promptly pay the city's water bills when rendered, or to pay any other expense or charge rendered against applicant by the city incidental to the supply of such water service, and upon the neglect of or refusal to~~ comply with any provision of this ~~ordinance~~ Chapter applicable to such service.

**SECTION 5.** This ordinance shall be in full force and effect following due passage and approval.