



Sen. James F. Clayborne, Jr.

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LRB099 06061 AWJ 36472 a

1 AMENDMENT TO HOUSE BILL 372

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 372, on page 1,  
3 immediately below line 3, by inserting the following:

4 "Section 5. The Township Code is amended by changing  
5 Section 205-140 as follows:

6 (60 ILCS 1/205-140)

7 Sec. 205-140. Initiating proceedings for particular  
8 locality; rates and charges; lien.

9 (a) A township board may initiate proceedings under  
10 Sections 205-130 through 205-150 in the manner provided by  
11 Section 205-20.

12 (b) The township board may establish the rate or charge to  
13 each user of the waterworks system or sewerage system, or  
14 combined waterworks and sewerage system, or improvement or  
15 extension at a rate that will be sufficient to pay the  
16 principal and interest of any bonds issued to pay the cost of

1 the system, improvement, or extension and the maintenance and  
2 operation of the system, improvement, or extension and may  
3 provide an adequate depreciation fund for the bonds. Charges or  
4 rates shall be established, revised, and maintained by  
5 ordinance and become payable as the township board determines  
6 by ordinance.

7 (c) The charges or rates are liens upon the real estate  
8 upon or for which sewerage service is supplied whenever the  
9 charges or rates become delinquent as provided by the ordinance  
10 of the board fixing a delinquency date.

11 (d) Notwithstanding any provision of law to the contrary,  
12 the township shall conduct a cost study regarding the  
13 connection charge of the township:

14 (1) before the township increases or creates a  
15 connection charge;

16 (2) upon the request of the supervisor or a majority of  
17 the township board of the township; or

18 (3) upon the request of a majority of the mayors or  
19 village presidents of all the municipalities located  
20 within or substantially within the township.

21 The cost study shall be conducted by an independent entity  
22 within 6 months of action taken under paragraphs (1), (2), or  
23 (3) of this subsection (d). The cost study must include, at a  
24 minimum, an examination of similar water main and sewer  
25 connection charges in neighboring units of local government or  
26 units of local government similar in size or population.

1 Following the completion of the cost study, no increase or new  
2 connection charge may be imposed unless the increase or new  
3 charge is justified by the cost study. If the connection charge  
4 the township charged prior to completion of the cost study is  
5 higher than is justified by the cost study, the township shall  
6 reduce its connection charge to the amount justified by the  
7 cost study. For purposes of this subsection (d), "connection  
8 charge" means a charge assessed to recover the cost of  
9 connecting the customer's water main, sewer, or water main and  
10 sewer service line to the township's facilities, and includes  
11 only the direct and indirect costs of physically tying the  
12 service line into the township's main.

13 (Source: P.A. 82-783; 88-62.)

14 Section 10. The Illinois Municipal Code is amended by  
15 adding Section 11-150-2 as follows:

16 (65 ILCS 5/11-150-2 new)

17 Sec. 11-150-2. Connection fee cost study. Notwithstanding  
18 any provision of law to the contrary, the municipality shall  
19 conduct a cost study regarding the connection charge of the  
20 municipality:

21 (1) before the municipality increases or creates a  
22 connection charge; or

23 (2) upon the request of the mayor or village president,  
24 or a majority of the corporate authorities of the

1       municipality.

2       The cost study shall be conducted by an independent entity  
3 within 6 months after action is taken under paragraphs (1) or  
4 (2) of this Section. The cost study must include, at a minimum,  
5 an examination of similar water main and sewer connection  
6 charges in neighboring units of local government or units of  
7 local government similar in size or population. Following the  
8 completion of the cost study, no increase or new connection  
9 charge may be imposed unless the increase or new charge is  
10 justified by the cost study. If the connection charge the  
11 municipality charged prior to completion of the cost study is  
12 higher than is justified by the cost study, the municipality  
13 shall reduce its connection charge to the amount justified by  
14 the cost study. For purposes of this Section, "connection  
15 charge" means a charge assessed to recover the cost of  
16 connecting the customer's water main, sewer, or water main and  
17 sewer service line to the municipality's facilities, and  
18 includes only the direct and indirect costs of physically tying  
19 the service line into the municipality's main.

20       Section 15. The Sanitary District Act of 1907 is amended by  
21 adding Section 14.5 as follows:

22       (70 ILCS 2205/14.5 new)

23       Sec. 14.5. Connection fee cost study. Notwithstanding any  
24 provision of law to the contrary, the sanitary district shall

1 conduct a cost study regarding the connection charge of the  
2 sanitary district:

3 (1) before the sanitary district increases or creates a  
4 connection charge; or

5 (2) upon the request of the president of the board of  
6 trustees or a majority of the board of trustees of the  
7 sanitary district.

8 The cost study shall be conducted by an independent entity  
9 within 6 months after action is taken under paragraphs (1) or  
10 (2) of this Section. The cost study must include, at a minimum,  
11 an examination of similar water main and sewer connection  
12 charges in neighboring units of local government or units of  
13 local government similar in size or population. Following the  
14 completion of the cost study, no increase or new connection  
15 charge may be imposed unless the increase or new charge is  
16 justified by the cost study. If the connection charge the  
17 sanitary district charged prior to completion of the cost study  
18 is higher than is justified by the cost study, the sanitary  
19 district shall reduce its connection charge to the amount  
20 justified by the cost study. For purposes of this Section,  
21 "connection charge" means a charge assessed to recover the cost  
22 of connecting the customer's water main, sewer, or water main  
23 and sewer service line to the sanitary district's facilities,  
24 and includes only the direct and indirect costs of physically  
25 tying the service line into the sanitary district's main.

1           Section 20. The North Shore Sanitary District Act is  
2 amended by changing Section 7.1 as follows:

3           (70 ILCS 2305/7.1) (from Ch. 42, par. 283.1)

4           Sec. 7.1. In providing works for the treatment of  
5 industrial sewage, commonly called industrial wastes, whether  
6 the industrial sewage is disposed of in combination with  
7 municipal sewage or independently, the sanitary district has  
8 power to apportion and collect therefore, from the producer  
9 thereof, fair additional construction, maintenance and  
10 operating costs over and above those covered by normal taxes,  
11 and in case of dispute as to the fairness of such additional  
12 construction, maintenance and operating costs, then the same  
13 shall be determined by an arbitration board of 3 engineers, one  
14 appointed by the sanitary district, one appointed by such  
15 producer or producers or their legal representatives, and the  
16 third to be appointed by the 2 engineers selected as above  
17 described. In the event the 2 engineers so selected fail to  
18 agree upon a third engineer then upon the petition of either of  
19 the parties the circuit judge shall appoint such third  
20 engineer. A decision of a majority of the arbitration board  
21 shall be binding on both parties and the cost of the services  
22 of the arbitration board shall be shared by both parties  
23 equally. Such decision is an administrative decision and is  
24 subject to judicial review as provided in the Administrative  
25 Review Law.

1           In providing works, including the main pipes referred to in  
2 Section 7, for the treatment of raw sewage, in the manner  
3 provided in this Act, whether such sewage is treated in  
4 combination with municipal sewage or independently, the  
5 sanitary district has power to collect a fair and reasonable  
6 charge for connection to its system in addition to those  
7 charges covered by normal taxes, for the construction,  
8 expansion and extension of the works of the system, the charge  
9 to be assessed against new or additional users of the system  
10 and to be known as a connection charge. Such construction,  
11 expansion and extension of the works of the system shall  
12 include proposed or existing collector systems and may, at the  
13 discretion of such district, include connections by individual  
14 properties. The charge for connection shall be determined by  
15 the district and may equal or exceed the actual cost to the  
16 district of the construction, expansion or extension of the  
17 works of the system required by the connection. The funds thus  
18 collected shall be used by the sanitary district for its  
19 general corporate purposes with primary application thereof  
20 being made by the necessary expansion of the works of the  
21 system to meet the requirements of the new users thereof.

22           Notwithstanding any provision of law to the contrary, the  
23 sanitary district shall conduct a cost study regarding the  
24 connection charge of the sanitary district:

25           (1) before the sanitary district increases or creates a  
26 connection charge; or

1           (2) upon the request of the president of the board of  
2           trustees or a majority of the board of trustees of the  
3           sanitary district.

4           The cost study shall be conducted by an independent entity  
5           within 6 months after action is taken under paragraphs (1) or  
6           (2) of this Section. The cost study must include, at a minimum,  
7           an examination of similar water main and sewer connection  
8           charges in neighboring units of local government or units of  
9           local government similar in size or population. Following the  
10           completion of the cost study, no increase or new connection  
11           charge may be imposed unless the increase or new charge is  
12           justified by the cost study. If the connection charge the  
13           sanitary district charged prior to completion of the cost study  
14           is higher than is justified by the cost study, the sanitary  
15           district shall reduce its connection charge to the amount  
16           justified by the cost study. For purposes of this Section,  
17           "connection charge" means a charge assessed to recover the cost  
18           of connecting the customer's water main, sewer, or water main  
19           and sewer service line to the sanitary district's facilities,  
20           and includes only the direct and indirect costs of physically  
21           tying the service line into the sanitary district's main.

22           (Source: P.A. 98-162, eff. 8-2-13.)

23           Section 25. The Sanitary District Act of 1917 is amended by  
24           changing Section 7 as follows:



1 (70 ILCS 2405/7) (from Ch. 42, par. 306)

2 Sec. 7. The board of trustees of any sanitary district  
3 organized under this Act shall have power to provide for the  
4 disposal of the sewage thereof including the sewage and  
5 drainage of any incorporated city, town or village within the  
6 boundaries of such district and to save and preserve the water  
7 supplied to the inhabitants of such district from contamination  
8 and for that purpose may construct and maintain an enclosed  
9 conduit or conduits, main pipe or pipes, wholly or partially  
10 submerged, buried or otherwise, and by means of pumps or  
11 otherwise cause such sewage to flow or to be forced through  
12 such conduit or conduits, pipe or pipes to and into any ditch  
13 or canal constructed and operated by any other sanitary  
14 district, after having first acquired the right so to do, or  
15 such board may provide for the drainage of such district by  
16 laying out, establishing, constructing and maintaining one or  
17 more channels, drains, ditches and outlets, for carrying off  
18 and disposing of the drainage (including the sewage) of such  
19 district together with such adjuncts and additions thereto as  
20 may be necessary or proper to cause such channels or outlets to  
21 accomplish the end for which they are designed, in a  
22 satisfactory manner, including pumps and pumping stations and  
23 the operation of the same. Such board may also treat and purify  
24 such sewage so that when the same shall flow into any lake or  
25 other water-course, it will not injuriously contaminate the  
26 waters thereof, and may adopt any other feasible method to

1 accomplish the object for which such sanitary district may be  
2 created, and may also provide means whereby the sanitary  
3 district may reach and procure supplies of water for diluting  
4 and flushing purposes; provided, however, that nothing herein  
5 contained shall be construed to empower or authorize such board  
6 of trustees to operate a system of waterworks for the purposes  
7 of furnishing or delivering water to any such municipality or  
8 to the inhabitants thereof. Nothing in this Act shall require a  
9 sanitary district to extend service to any individual residence  
10 or other building within the district, and it is the intent of  
11 the Illinois General Assembly that any construction  
12 contemplated by this Section shall be restricted to  
13 construction of works and main or interceptor sewers, conduits,  
14 channels and similar facilities, but not individual service  
15 lines. Nothing in this Act contained shall authorize the  
16 trustees to flow the sewage of such district into Lake  
17 Michigan.

18 Every such sanitary district shall proceed as rapidly as is  
19 reasonably possible to provide sewers and a plant or plants for  
20 the treatment and purification of its sewage, which plant or  
21 plants shall be of suitable kind and sufficient capacity to  
22 properly treat and purify such sewage so as to conduce to the  
23 preservation of the public health, comfort and convenience and  
24 to render the sewage harmless, insofar as is reasonably  
25 possible, to animal, fish and plant life. Any violation of this  
26 proviso and any failure to observe and follow same, by any

1 sanitary district organized under this Act, shall be held, and  
2 is hereby declared, to be a business offense and fined on the  
3 part of the sanitary district not less than \$1,000 nor more  
4 than \$10,000, and the trustees thereof may be ousted from  
5 office as trustees of the district by an order of the court  
6 before whom the cause is heard. Upon the complaint of the  
7 Environmental Protection Agency it shall be the duty of the  
8 Pollution Control Board to cause the foregoing provisions to be  
9 enforced in accordance with Section 31 of the "Environmental  
10 Protection Act". Nothing in this Act contained shall be  
11 construed as superseding or in any manner limiting the  
12 provisions of the "Environmental Protection Act".

13 The board of trustees of any sanitary district formed under  
14 this Act may also enter into an agreement to sell, convey, or  
15 disburse treated wastewater to any public or private entity  
16 located within or outside of the boundaries of the sanitary  
17 district. Any use of treated wastewater by any public or  
18 private entity shall be subject to the orders of the Pollution  
19 Control Board. The agreement may not exceed 20 years.

20 In providing works for the disposal of industrial sewage,  
21 commonly called industrial wastes, in the manner above provided  
22 whether the industrial sewage is disposed of in combination  
23 with municipal sewage or independently, the Sanitary District  
24 shall have power to apportion and collect therefor, from the  
25 producer thereof, fair additional construction, maintenance  
26 and operating costs over and above those covered by normal

1 taxes, and in case of dispute as to the fairness of such  
2 additional construction, maintenance and operating costs, then  
3 the same shall be determined by a board of three engineers, one  
4 appointed by the sanitary district, one appointed by such  
5 producer or producers or their legal representatives, and the  
6 third to be appointed by the two engineers selected as above  
7 described. In the event the two engineers so selected shall  
8 fail to agree upon a third engineer then upon the petition of  
9 either of the parties the circuit judge shall appoint such  
10 third engineer. A decision of a majority of the board shall be  
11 binding on both parties and the cost of the services of the  
12 board shall be shared by both parties equally.

13 In providing works, including the main pipes referred to  
14 above, for the disposal of raw sewage, in the manner above  
15 provided, whether such sewage is disposed of in combination  
16 with municipal sewage or independently, the Sanitary District  
17 shall have power to collect a fair and reasonable charge for  
18 connection to its system in addition to those charges covered  
19 by normal taxes, for the construction, expansion and extension  
20 of the works of the system, the charge to be assessed against  
21 new or additional users of the system and to be known as a  
22 connection charge. Such construction, expansion and extension  
23 of the works of the system shall include proposed or existing  
24 collector systems and may, at the discretion of such District,  
25 include connections by individual properties. The charge for  
26 connection shall be determined by the District and may equal or

1 exceed the actual cost to the District of the construction,  
2 expansion or extension of the works of the system required by  
3 the connection. The funds thus collected shall be used by the  
4 Sanitary District for its general corporate purposes with  
5 primary application thereof being made by the necessary  
6 expansion of the works of the system to meet the requirements  
7 of the new users thereof. Notwithstanding any provision of law  
8 to the contrary, the Sanitary District shall conduct a cost  
9 study regarding the connection charge of the Sanitary District:

10 (1) before the Sanitary District increases or creates a  
11 connection charge; or

12 (2) upon the request of the president of the board of  
13 trustees or a majority of the board of trustees of the  
14 Sanitary District.

15 The cost study shall be conducted by an independent entity  
16 within 6 months after action is taken under paragraphs (1) or  
17 (2) of this Section. The cost study must include, at a minimum,  
18 an examination of similar water main and sewer connection  
19 charges in neighboring units of local government or units of  
20 local government similar in size or population. Following the  
21 completion of the cost study, no increase or new connection  
22 charge may be imposed unless the increase or new charge is  
23 justified by the cost study. If the connection charge the  
24 Sanitary District charged prior to completion of the cost study  
25 is higher than is justified by the cost study, the Sanitary  
26 District shall reduce its connection charge to the amount

1 justified by the cost study. For purposes of this Section,  
2 "connection charge" means a charge assessed to recover the cost  
3 of connecting the customer's water main, sewer, or water main  
4 and sewer service line to the Sanitary District's facilities,  
5 and includes only the direct and indirect costs of physically  
6 tying the service line into the Sanitary District's main.

7 (Source: P.A. 97-1000, eff. 8-17-12.)"; and

8 on page 1, line 4, by replacing "Section 5" with "Section 30";  
9 and

10 on page 1, line 5, by replacing "and 4.14" with "4.14, and 7f";  
11 and

12 on page 10, immediately below line 20, by inserting the  
13 following:

14 "(70 ILCS 2605/7f) (from Ch. 42, par. 326f)

15 Sec. 7f. Regulation of connecting sewerage systems.

16 (a) It shall be unlawful for any person to construct or  
17 install any sewerage system that discharges sewage, industrial  
18 wastes, or other wastes, directly or indirectly, into the  
19 sewerage system of the sanitary district, unless a written  
20 permit for the sewerage system has been granted by the sanitary  
21 district acting through the executive director. The sanitary  
22 district shall specify by ordinance the changes, additions, or

1 extensions to an existing sewerage system that will require a  
2 permit. No changes, additions, or extensions to any existing  
3 sewerage systems discharging sewage, industrial wastes, or  
4 other wastes into the sewerage system of the sanitary district,  
5 that requires a permit, may be made until plans for the  
6 changes, additions, or extensions have been submitted to and a  
7 written permit obtained from the sanitary district acting  
8 through the executive director; provided, however, that this  
9 Section is not applicable in any municipality having a  
10 population of more than 500,000.

11 (b) Sewerage systems shall be operated in accordance with  
12 the ordinances of the sanitary district. The Board of  
13 Commissioners of any sanitary district is authorized to  
14 regulate, limit, extend, deny, or otherwise control any new or  
15 existing connection, addition, or extension to any sewer or  
16 sewerage system which directly or indirectly discharges into  
17 the sanitary district sewerage system. The Board shall adopt  
18 standards and specifications for construction, operation, and  
19 maintenance. This Section shall not apply to sewerage systems  
20 under the jurisdiction of any city, village, or incorporated  
21 town having a population of 500,000 or more.

22 (c) The Board of Commissioners of any sanitary district is  
23 hereby authorized to pass all necessary ordinances to carry out  
24 the aforementioned powers. The ordinances may provide for a  
25 civil penalty for each offense of not less than \$100 nor more  
26 than \$1,000. Each day's continuance of the violation shall be a

1 separate offense. Hearings for violations of the ordinances  
2 adopted by the Board of Commissioners may be conducted by the  
3 Board of Commissioners or its designee.

4 (d) Plans and specifications for any sewerage system  
5 covered by this Act must be submitted to the sanitary district  
6 before a written permit may be issued and the construction of  
7 any sewerage system must be in accordance with the plans and  
8 specifications. In case it is necessary or desirable to make  
9 material changes in the plans or specifications, the revised  
10 plans or specifications, together with the reasons for the  
11 proposed changes, must be submitted to the sanitary district  
12 for a supplemental written permit.

13 (e) The sanitary district, acting through the executive  
14 director, may require any owner of a sewerage system  
15 discharging into the sewerage system of the sanitary district,  
16 to file with it complete plans of the whole or of any part of  
17 the system and any other information and records concerning the  
18 installation and operation of the system.

19 (f) The sanitary district, acting through the executive  
20 director, may establish procedures for the review of any plans,  
21 specifications, or other data relative to any sewerage system,  
22 written permits for which are required by this Act.

23 (g) The sanitary district, acting through the executive  
24 director, may adopt and enforce rules and regulations governing  
25 the issuance of permits and the method and manner under which  
26 plans, specifications, or other data relative thereto must be



1 submitted for the sewerage systems or for additions or changes  
2 to or extensions of the systems.

3 (h) After a hearing on an alleged violation of any such  
4 ordinance, the Board may, in addition to any civil penalty  
5 imposed, order any person found to have committed a violation  
6 to reimburse the sanitary district for the costs of the  
7 hearing, including any expenses incurred for inspection,  
8 sampling, analysis, administrative costs, and court reporter's  
9 and attorney's fees. The Board of Commissioners may also  
10 require a person to achieve compliance with the ordinance  
11 within a specified period of time. The Administrative Review  
12 Law, and the rules adopted under that Law, shall govern  
13 proceedings for the judicial review of final orders of the  
14 Board of Commissioners issued under this subsection.

15 (i) Civil penalties and costs imposed pursuant to this  
16 Section are recoverable by the sanitary district in a civil  
17 action. The sanitary district is authorized to apply to the  
18 circuit court for injunctive relief or mandamus when, in the  
19 opinion of the executive director, the person has failed to  
20 comply with an order of the Board of Commissioners or the  
21 relief is necessary to protect the sewerage system of the  
22 sanitary district.

23 (j) The operation and maintenance of any existing sanitary  
24 sewerage system serving territory that is annexed by a  
25 municipality located in a county with a population of 3,000,000  
26 or more after the effective date of this amendatory Act of the

1 92nd General Assembly is the responsibility of the municipality  
2 to which the territory is annexed, unless the sanitary sewerage  
3 system is under the jurisdiction of another unit of local  
4 government other than the District.

5 (k) Notwithstanding any provision of law to the contrary,  
6 the sanitary district shall conduct a cost study regarding the  
7 connection charge of the sanitary district:

8 (1) before the sanitary district increases or creates a  
9 connection charge; or

10 (2) upon the request of the president of the board of  
11 commissioners or a majority of the board of commissioners  
12 of the sanitary district.

13 The cost study shall be conducted by an independent entity  
14 within 6 months after action is taken under paragraphs (1) or  
15 (2) of this subsection (k). The cost study must include, at a  
16 minimum, an examination of similar water main and sewer  
17 connection charges in neighboring units of local government or  
18 units of local government similar in size or population.  
19 Following the completion of the cost study, no increase or new  
20 connection charge may be imposed unless the increase or new  
21 charge is justified by the cost study. If the connection charge  
22 the sanitary district charged prior to completion of the cost  
23 study is higher than is justified by the cost study, the  
24 sanitary district shall reduce its connection charge to the  
25 amount justified by the cost study. For purposes of this  
26 subsection (k), "connection charge" means a charge assessed to

1 recover the cost of connecting the customer's water main,  
2 sewer, or water main and sewer service line to the sanitary  
3 district's facilities, and includes only the direct and  
4 indirect costs of physically tying the service line into the  
5 sanitary district's main.

6 (Source: P.A. 95-923, eff. 1-1-09.)

7 Section 35. The Sanitary District Act of 1936 is amended by  
8 adding Section 25b as follows:

9 (70 ILCS 2805/25b new)

10 Sec. 25b. Connection fee cost study. Notwithstanding any  
11 provision of law to the contrary, the sanitary district shall  
12 conduct a cost study regarding the connection charge of the  
13 sanitary district:

14 (1) before the sanitary district increases or creates a  
15 connection charge; or

16 (2) upon the request of the president of the board of  
17 trustees or a majority of the board of trustees of the  
18 sanitary district.

19 The cost study shall be conducted by an independent entity  
20 within 6 months after action is taken under paragraphs (1) or  
21 (2) of this Section. The cost study must include, at a minimum,  
22 an examination of similar water main and sewer connection  
23 charges in neighboring units of local government or units of  
24 local government similar in size or population. Following the

1 completion of the cost study, no increase or new connection  
2 charge may be imposed unless the increase or new charge is  
3 justified by the cost study. If the connection charge the  
4 sanitary district charged prior to completion of the cost study  
5 is higher than is justified by the cost study, the sanitary  
6 district shall reduce its connection charge to the amount  
7 justified by the cost study. For purposes of this Section,  
8 "connection charge" means a charge assessed to recover the cost  
9 of connecting the customer's water main, sewer, or water main  
10 and sewer service line to the sanitary district's facilities,  
11 and includes only the direct and indirect costs of physically  
12 tying the service line into the sanitary district's main.

13 Section 40. The Metro-East Sanitary District Act of 1974 is  
14 amended by adding Section 2-3.5 as follows:

15 (70 ILCS 2905/2-3.5 new)

16 Sec. 2-3.5. Connection fee cost study. Notwithstanding any  
17 provision of law to the contrary, the sanitary district shall  
18 conduct a cost study regarding the connection charge of the  
19 sanitary district:

20 (1) before the sanitary district increases or creates a  
21 connection charge; or

22 (2) upon the request of the president of the board of  
23 commissioners or a majority of the board of commissioners  
24 of the sanitary district.

1       The cost study shall be conducted by an independent entity  
2 within 6 months after action is taken under paragraphs (1) or  
3 (2) of this Section. The cost study must include, at a minimum,  
4 an examination of similar water main and sewer connection  
5 charges in neighboring units of local government or units of  
6 local government similar in size or population. Following the  
7 completion of the cost study, no increase or new connection  
8 charge may be imposed unless the increase or new charge is  
9 justified by the cost study. If the connection charge the  
10 sanitary district charged prior to completion of the cost study  
11 is higher than is justified by the cost study, the sanitary  
12 district shall reduce its connection charge to the amount  
13 justified by the cost study. For purposes of this Section,  
14 "connection charge" means a charge assessed to recover the cost  
15 of connecting the customer's water main, sewer, or water main  
16 and sewer service line to the sanitary district's facilities,  
17 and includes only the direct and indirect costs of physically  
18 tying the service line into the sanitary district's main.

19       Section 45. The Public Water District Act is amended by  
20 changing Section 23f as follows:

21       (70 ILCS 3705/23f) (from Ch. 111 2/3, par. 210f)

22       Sec. 23f. Whenever revenue bonds are issued under Section  
23 23e of this Act, the income and revenue derived from the  
24 operation of the combined waterworks and sewerage system of the

1 district shall be used only (1) to pay the cost of operation  
2 and maintenance of the system; (2) to pay principal of and  
3 interest on any revenue bonds issued hereunder; (3) to provide  
4 an adequate depreciation fund; and (4) to create and maintain  
5 such reasonable reserves as may be provided in the ordinance  
6 authorizing the issuance of the bonds, including, without  
7 limitation, a bond reserve fund and a reserve for proposed  
8 future improvements and extensions to the system in accordance  
9 with a master plan, as the same may be amended or revised from  
10 time to time, duly approved by ordinance or resolution of the  
11 board of trustees. The depreciation fund is to be used for such  
12 replacements as may be necessary from time to time for the  
13 continued, effective and efficient operation of the system,  
14 which fund shall not be allowed to accumulate beyond a  
15 reasonable amount necessary for that purpose, the terms and  
16 provisions of which shall be incorporated in the ordinance  
17 authorizing the issuance of the bonds.

18 The board of trustees is authorized to charge rates and  
19 charges for the use and service of the combined waterworks and  
20 sewerage system, and to defray the costs of connections  
21 thereto, which shall be sufficient at all times (1) to pay the  
22 cost of maintenance and operation of the system, (2) to pay the  
23 principal of and interest upon all revenue bonds issued under  
24 the provisions of Section 23e of this Act, (3) to provide an  
25 adequate depreciation fund, and (4) to create and maintain such  
26 reasonable reserves as may be provided in the ordinance

1 authorizing the issuance of any such revenue bonds, including,  
2 without limitation, a bond reserve fund and a reserve for  
3 proposed future improvements and extensions to the system in  
4 accordance with a master plan, as the same may be amended or  
5 revised from time to time, duly approved by ordinance or  
6 resolution of the board of trustees. The board of trustees may  
7 also impose upon the owner of any residential lot in a platted  
8 subdivision within the district a fair and reasonable minimum  
9 charge for availability, or readiness to serve fee, to pay a  
10 portion of the cost of having facilities available to supply  
11 service when needed. Charges or rates shall be established,  
12 revised, and maintained by ordinance and become payable as the  
13 board of trustees may determine by ordinance. Any ordinance  
14 establishing rates and charges shall be published within 30  
15 days after its adoption in a newspaper published in the  
16 district, and if there is no such newspaper, in a newspaper  
17 published in the county and having a general circulation in the  
18 district, and shall become effective 10 days after such  
19 publication. Notwithstanding any provision of law to the  
20 contrary, the public water district shall conduct a cost study  
21 regarding the connection charge of the public water district:

22 (1) before the public water district increases or  
23 creates a connection charge; or

24 (2) upon the request of the Chairman of the board of  
25 trustees or a majority of the board of trustees of the  
26 board of trustees.

1       The cost study shall be conducted by an independent entity  
2 within 6 months after action is taken under paragraphs (1) or  
3 (2) of this Section. The cost study must include, at a minimum,  
4 an examination of similar water main and sewer connection  
5 charges in neighboring units of local government or units of  
6 local government similar in size or population. Following the  
7 completion of the cost study, no increase or new connection  
8 charge may be imposed unless the increase or new charge is  
9 justified by the cost study. If the connection charge the  
10 public water district charged prior to completion of the cost  
11 study is higher than is justified by the cost study, the public  
12 water district shall reduce its connection charge to the amount  
13 justified by the cost study. For purposes of this Section,  
14 "connection charge" means a charge assessed to recover the cost  
15 of connecting the customer's water main, sewer, or water main  
16 and sewer service line to the public water district's  
17 facilities, and includes only the direct and indirect costs of  
18 physically tying the service line into the public water  
19 district's main.

20       Such charges or rates, including any penalties for late  
21 payment, are liens upon the real estate upon or for which  
22 service is supplied or made available whenever the charges or  
23 rates become delinquent as provided by any ordinance of the  
24 district fixing a delinquency date. A lien is created under the  
25 preceding sentence only if the district sends to the owner or  
26 owners of record of the real estate, as referenced by the



1 taxpayer's identification number, (i) a copy of each  
2 delinquency notice sent to the person who is delinquent in  
3 paying the charges or rates or other notice sufficient to  
4 inform the owner or owners of record, as referenced by the  
5 taxpayer's identification number, that the charges or rates  
6 have become delinquent and (ii) a notice that unpaid charges or  
7 rates may create a lien on the real estate under this Section.  
8 Such liens shall arise ipso facto upon the delinquency of such  
9 charges or rates; however, the district has no preference over  
10 the rights of any purchaser, mortgagee, judgment creditor, or  
11 other lien holder arising prior to the filing of a notice of  
12 such a lien in the office of the recorder of the county in  
13 which such real estate is located, or in the office of the  
14 registrar of titles of such county if the property affected is  
15 registered under the Torrens system. This notice shall consist  
16 of a sworn statement setting out (1) a description of such real  
17 estate sufficient for the identification thereof, (2) the  
18 amount of money due for such service or availability, and (3)  
19 the date when such amount became delinquent. The district shall  
20 send a copy of the notice of the lien to the owner or owners of  
21 record of the real estate, as referenced by the taxpayer's  
22 identification number. The district has the power to foreclose  
23 this lien in the same manner and with the same effect as in the  
24 foreclosure of mortgages on real estate and shall be entitled  
25 to recover its reasonable expenses and costs, including  
26 attorney's fees, incurred in connection with such foreclosure

1 proceeding. The district may, upon the payment of such  
2 reasonable administrative fees as it may establish for the  
3 service, furnish to any requesting party current statements  
4 evidencing the status of any account and releases evidencing  
5 the payment of delinquent charges and the release, discharge  
6 and satisfaction of any lien arising therefrom.

7 The holder of any bond or any interest coupon of any such  
8 revenue bonds of any such district may in any civil action,  
9 mandamus or other proceeding enforce and compel the performance  
10 of all duties required by this Act and the covenants and  
11 undertakings set forth in any bond ordinance, including the  
12 making and collecting of sufficient rates and charges for the  
13 use, service or availability of the combined waterworks and  
14 sewerage system of the district, and the proper application of  
15 the income and revenue therefrom.

16 (Source: P.A. 87-1197.)

17 Section 50. The Water Service District Act is amended by  
18 adding Section 5.3 as follows:

19 (70 ILCS 3710/5.3 new)

20 Sec. 5.3. Connection fee cost study. Notwithstanding any  
21 provision of law to the contrary, the water service district  
22 shall conduct a cost study regarding the connection charge of  
23 the water service district:

24 (1) before the water service district increases or

1       creates a connection charge; or

2           (2) upon the request of the president of the board of  
3       trustees or a majority of the board of trustees of the  
4       water service district.

5       The cost study shall be conducted by an independent entity  
6       within 6 months after action is taken under paragraphs (1) or  
7       (2) of this Section. The cost study must include, at a minimum,  
8       an examination of similar water main and sewer connection  
9       charges in neighboring units of local government or units of  
10       local government similar in size or population. Following the  
11       completion of the cost study, no increase or new connection  
12       charge may be imposed unless the increase or new charge is  
13       justified by the cost study. If the connection charge the water  
14       service district charged prior to completion of the cost study  
15       is higher than is justified by the cost study, the water  
16       service district shall reduce its connection charge to the  
17       amount justified by the cost study. For purposes of this  
18       Section, "connection charge" means a charge assessed to recover  
19       the cost of connecting the customer's water main, sewer, or  
20       water main and sewer service line to the water service  
21       district's facilities, and includes only the direct and  
22       indirect costs of physically tying the service line into the  
23       water service district's main.

24       Section 55. The Water Authorities Act is amended by adding  
25       Section 4.5 as follows:

1 (70 ILCS 3715/4.5 new)

2 Sec. 4.5. Connection fee cost study. Notwithstanding any  
3 provision of law to the contrary, the water authority shall  
4 conduct a cost study regarding the connection charge of the  
5 water authority:

6 (1) before the water authority increases or creates a  
7 connection charge; or

8 (2) upon the request of the chairman of the board of  
9 trustees or a majority of the board of trustees of the  
10 water authority.

11 The cost study shall be conducted by an independent entity  
12 within 6 months after action is taken under paragraphs (1) or  
13 (2) of this Section. The cost study must include, at a minimum,  
14 an examination of similar water main and sewer connection  
15 charges in neighboring units of local government or units of  
16 local government similar in size or population. Following the  
17 completion of the cost study, no increase or new connection  
18 charge may be imposed unless the increase or new charge is  
19 justified by the cost study. If the connection charge the water  
20 authority charged prior to completion of the cost study is  
21 higher than is justified by the cost study, the water authority  
22 shall reduce its connection charge to the amount justified by  
23 the cost study. For purposes of this Section, "connection  
24 charge" means a charge assessed to recover the cost of  
25 connecting the customer's water main, sewer, or water main and

1 sewer service line to the water authority's facilities, and  
2 includes only the direct and indirect costs of physically tying  
3 the service line into the water authority's main.

4 Section 60. The Water Commission Act of 1985 is amended by  
5 changing Section 0.001b as follows:

6 (70 ILCS 3720/0.001b)

7 Sec. 0.001b. Powers and duties. A water commission has the  
8 power and duty to:

9 (1) establish and define the responsibilities of the  
10 commission and its committees;

11 (2) establish and define the responsibilities of the  
12 commission's management and staff;

13 (3) establish a finance committee to conduct monthly  
14 meetings to supervise staff's handling of financial  
15 matters and budgeting;

16 (4) require the finance director and treasurer to  
17 report to the finance committee the status of all  
18 commission funds and obligations;

19 (5) require the treasurer to report to the commission  
20 any improper or unnecessary expenditures, budgetary  
21 errors, or accounting irregularities;

22 (6) require commission staff to document and comply  
23 with standard accounting policies, procedures, and  
24 controls to ensure accurate reporting to the finance

1 committee and commission and to identify improper or  
2 unnecessary expenditures, budgetary errors, or accounting  
3 irregularities;

4 (7) require the commission's finance director to  
5 provide monthly reports regarding the commission's cash  
6 and investment position including whether the commission  
7 has sufficient cash and investments to pay its debt  
8 service, operating expenses, and capital expenditures and  
9 maintain required reserve levels. The information shall  
10 include the required funding levels for restricted funds  
11 and unrestricted cash and investment balances with  
12 comparisons to unrestricted reserves. The information  
13 shall also include the type and performance of the  
14 commission's investments and description as to whether  
15 those investments are in compliance with the commission's  
16 investment policies;

17 (8) require the commission's finance director to  
18 provide the commission with detailed information  
19 concerning the commission's operating performance  
20 including the budgeted and actual monthly amounts for water  
21 sales, water costs, and other operating expenses;

22 (9) require commission staff to provide the commission  
23 with detailed information regarding the progress of  
24 capital projects including whether the percentage of  
25 completion and costs incurred are timely;

26 (10) require the commission's staff accountant to

1 perform bank reconciliations and general ledger account  
2 reconciliations on a monthly basis; the finance director  
3 shall review these reconciliations and provide them to the  
4 treasurer and the finance committee on a monthly basis;

5 (11) establish policies to ensure the proper  
6 segregation of the financial duties performed by  
7 employees;

8 (12) restrict access to the established accounting  
9 systems and general ledger systems and provide for adequate  
10 segregation of duties so that no single person has sole  
11 access and control over the accounting system or the  
12 general ledger system;

13 (13) require that the finance director review and  
14 approve all manual journal entries and supporting  
15 documentation; the treasurer shall review and approve the  
16 finance director's review and approval of manual journal  
17 entries and supporting documentation;

18 (14) require that the finance director closely monitor  
19 the progress of construction projects;

20 (15) require that the finance director carefully  
21 document any GAAP analysis or communications with GASB and  
22 provide full and timely reports for the same to the finance  
23 committee; ~~and~~

24 (16) retain an outside independent auditor to perform a  
25 comprehensive audit of the water commission's financial  
26 activities for each fiscal year in conformance with the

1 standard practices of the Association of Governmental  
2 Auditors; within 30 days after the independent audit is  
3 completed, the results of the audit must be sent to the  
4 county auditor; and-

5 (17) notwithstanding any provision of law to the  
6 contrary, shall conduct a cost study regarding the  
7 connection charge of the water commission:

8 (A) before the water commission increases or  
9 creates a connection charge; or

10 (B) upon the request of the chairperson of the  
11 water commissioners or a majority of the water  
12 commissioners of the water commission.

13 The cost study shall be conducted by an independent  
14 entity within 6 months after action is taken under items  
15 (A) or (B) of this paragraph (17). The cost study must  
16 include, at a minimum, an examination of similar water main  
17 and sewer connection charges in neighboring units of local  
18 government or units of local government similar in size or  
19 population. Following the completion of the cost study, no  
20 increase or new connection charge may be imposed unless the  
21 increase or new charge is justified by the cost study. If  
22 the connection charge the water commission charged prior to  
23 completion of the cost study is higher than is justified by  
24 the cost study, the water commission shall reduce its  
25 connection charge to the amount justified by the cost  
26 study. For purposes of this paragraph (17), "connection



1       charge" means a charge assessed to recover the cost of  
2       connecting the customer's water main, sewer, or water main  
3       and sewer service line to the water commission's  
4       facilities, and includes only the direct and indirect costs  
5       of physically tying the service line into the water  
6       commission's main.

7       (Source: P.A. 96-1389, eff. 7-29-10.)".