

KATHRYN FARMER, Individually,
and as Representative of a Class of
Similarly-Situated Persons and Entities,

Plaintiff,

CITY OF CHICAGO, an Illinois
Municipal Corporation,

Defendant.

Jury Demanded

NOW COMES Plaintiff, Kathryn Farmer (“Plaintiff”), by and through her attorneys, Kickham Hanley PLLC and Moskovic & Associates, Ltd., individually, and on behalf of a class of similarly situated persons and entities, and for her Third Amended Complaint against Defendant City of Chicago (the “City”), Plaintiff demands a trial by jury and states as follows:

1. This is an action challenging a variety of unlawful taxes and charges the City imposes

1 This Third Amended Complaint is being timely submitted in accordance with the Court's July 13, 2023 Order. Among other things, that Order required Plaintiff to submit this Third Amended Complaint to do the following: (1) set forth "specific factual allegations" to support the claims in Counts VII and VIII based upon the City's violation of the Uniformity Clause of the Illinois Constitution (Order at pp. 2-3), (2) "make allegations related to the government's ability to demonstrate an appropriate reason for the differentiated treatment" alleged in Counts IX and X (Order at p. 3), and (3) "plead facts" supporting the claims in Counts XI and XII alleging unreasonable water and sewer rates (Order at p. 4). Consistent with the Order, Plaintiff has set forth additional general factual allegations in Paragraphs 2, 19 and 35 through 37. Plaintiff also has provided additional factual allegations supporting the Uniformity Clause claims in Paragraphs 118 through 126, additional factual allegations supporting the Unfair Discrimination Claims in Paragraphs 149 through 158, 165 through 176, and 184-185, and additional factual allegations supporting the Exorbitant Rate Claims in Paragraphs 195, 203 through 224, 242, and 246 through 251. This Third Amendment Complaint thus contains over 67 additional or amended paragraphs setting forth additional factual allegations in order to meet the Court's July 13, 2023 Order.

and collects from citizens whose properties in the City receive water and sewer services from the City. The City foists these illegal exactions upon its water and sewer customers in the City in order to collect—and then divert—hundreds of millions of dollars to general municipal purposes having nothing to do with providing water and sewer services. The City’s actions have resulted in massive overcharges to its citizens for these most essential of municipal services.

2. The City is only able to implement and profit from these overcharges because of the unique status that municipal utilities enjoy in the State of Illinois, which allows them virtually-unchecked power. Municipal utilities, like the City’s Water and Sewer Department, enjoy completely unregulated monopolies over services that are essential to the health and welfare of the public. As the City informed prospective bond investors in 2023, “[n]o regulation by any administrative agency applies to the Water System rates.” *See* Exhibit 14 hereto at p. 4 (emphasis added). Indeed, the City recently boasted in an April 2023 “Financial Update” that the City Council has “unlimited home rule authority to raise rates.” *See* Exhibit 15 hereto at p. 13(emphasis added).

3. Indeed, the City’s water and sewer “customers” **must** buy their services and **must** pay the price set by the City’s municipal monopoly. Customers have no realistic alternative. Residents whose homes and businesses are serviced by the City’s water and sewer lines are required to hook up to those facilities. As a result, people who want to use their showers, sinks, and toilets must pay the City *whatever price* the City requires for that “privilege.” And if they don’t “pay up” for these indispensable services, the City ultimately will take their house or business through a forced tax sale.

4. This compulsory and, from the City’s perspective, extraordinarily lucrative financial relationship, is virtually unheard-of in the private sector. Indeed, outside of the municipal utility monopoly context, one would be hard-pressed to identify any sellers of goods and services that: (1) provide an essential good or service that their customers must have to survive, (2) have a customer

base that is required to buy from them and cannot buy from another provider, (3) have the unfettered ability to charge the captive customers any price they determine, *and* (4) have a security interest in their customer's real property in order to ensure the full payment of the charges they unilaterally impose. Plaintiff's challenge to the City's abuses of these awesome powers can be summarized as follows:

5. First, Plaintiff challenges the "Water and Sewer Taxes" which are part of the "Water and Sewer Charges" imposed by the City. The City has extracted hundreds of millions of dollars from the payers of the Water and Sewer Taxes that it has used to finance the City's general governmental obligations unrelated to providing water and sewer services — namely, the funding of its general municipal pension obligations. Currently, the Water and Sewer Taxes imposed by the City exceed **\$215 million** per year.²

6. Second, independent of the Water and Sewer Taxes, the City's Water and Sewer Charges to Plaintiff and the Class have been unreasonably discriminatory because the City has illegally and arbitrarily exempted various types of similarly-situated water and sewer customers (owning or occupying tens of thousands of properties serviced by the City's water and sewer system) from their obligation to pay the City's Water and/or Sewer Charges (the "Exempt Customers"). This practice has resulted in dramatically higher Rates and Charges being assessed against Plaintiff and the Class, who are not exempt from payment (the "Unreasonable Discrimination Claims"). Because of the

² Claims related to the Water and Sewer Taxes stated in Counts I-VI are expressly incorporated herein to preserve the underlying allegations and claims notwithstanding the Court's prior dismissal of those claims. It is well established that the most recent amended complaint controls and supersedes earlier complaints where the amended complaint does not refer to or adopt the original complaint. *See e.g. Citibank (SD) Na v. Covaci*, 2014 Ill. App. (1st) 140521-U, para. 36, *citing Foxcroft Townhome Owners Association v. Hoffman Rosner Corp.*, 96 Ill. 2d 150, 154, 449 N.E.2d 125, 70 Ill. Dec. 251 (1983) ("allegations in former complaints, not incorporated in the final amended complaint, are deemed waived").

Exemptions, non-exempt customers pay over \$50 million more per year for water and sewer services than they would pay in the absence of the Exemptions.

7. Third, this action challenges the City's overcharges to Water and Sewer Customers and its improper transfer—without consideration—of tens of millions of dollars of revenues garnered from Water and Sewer Charges to the City's general corporate fund for general governmental use and to two of the City's pension funds to finance the City's obligations to those funds. The City accomplishes these overcharges and misappropriation of Water and Sewer Funds in at least three ways: first, by grossly over-allocating the alleged indirect (but phantom) costs of other City departments to the Water and Sewer Fund (the "Excessive Cost Allocations"); and second, by charging the Water & Sewer Funds tens of millions of dollars per year in additional phantom costs to allegedly cover the Water and Sewer Funds' proportionate share of the City's total annual contribution to the Municipal Employees' Annuity and Benefit Fund and the Laborers' and Retirement Board Annuity and Benefit Fund (the "Pension Overcharges").

8. Finally, even after considering the improper diversion of tens of millions of dollars by virtue of the Excessive Cost Allocations and Pension Overcharges, the City still has overcharged its Water and Sewer customers by hundreds of millions of dollars, which has resulted in the accumulation of cash reserves in the Water and Sewer Fund which are over *twice* the amount of reserves the City itself admits it should maintain (the "Gross Overcharges").

9. By virtue of the annual inclusion of tens of millions of dollars of these phantom expenses and Gross Overcharges, the City's Water and Sewer Rates and Charges have been, and continue to be, completely fraudulent and untethered to the City's actual costs of providing water and sewer services to its citizenry. Collectively, the claims arising out of the Excessive Cost Allocations,

the Pension Overcharges and the Gross Overcharges are referred to herein as the “Exorbitant Rate Claims.”

10. Collectively, the (a) Water and Sewer Taxes, (b) the subsidy provided to the Exempt Properties through the City’s unreasonable rate discrimination, (c) the Excessive Cost Allocations, (d) the Pension Overcharges and (e) the Gross Overcharges have transformed the City’s Water and Sewer Funds into an illicit financial engine which both fraudulently generates a massive General Fund revenue stream *and* stockpiles unnecessary cash reserves in the Water and Sewer Funds — while simultaneously rendering the necessities of water and sewer service that is oppressively unaffordable for many of the most vulnerable Chicagoans.

11. These “regressive” taxes and charges fall most heavily on the City’s lower income residents. The hardships visited upon the lower income residents of Chicago were extensively documented in a recent report compiled by media outlet WBEZ (Exhibit 1 hereto, and with interactive graphics at: <https://interactive.wbez.org/waterdebt/>), which provided the following grim statistics:

Chicago homeowners have racked up over \$421 million dollars in water debt. More than 60% of the debt is concentrated in the city’s majority Black ZIP codes. [Exhibit 1, pp. 6, 11.]

The city’s debt collection system has moved delinquent water bills into the hands of private debt collectors, with little transparency. At least \$60 million of the city’s water revenue has gone to pay private debt collectors. *Id.* p. 11.

Chicagoans have had millions of dollars in earnings garnished from their paychecks to help settle water debt and many others have faced judgments and statutory liens in an effort to collect water debt. *Id.*

SUMMARY OF THE CLAIMS BASED ON THE WATER AND/OR SEWER TAXES

12. Counts I through VIII of this Complaint challenge the Water and/or Sewer Taxes on various grounds. The claims in Counts I through VIII are collectively referred to herein as the “Unlawful Tax Claims.”

13. Counts I and II of Complaint allege that the Water Taxes are unlawful taxes imposed by the City in violation of Illinois statutory law because they are sales taxes or other taxes “on the use, sale or purchase of tangible personal property based on the gross receipts from such sales or the selling or purchase price of said tangible personal property,” and thus are preempted by 65 ILCS 5/8-11-6a.

14. Counts III-IV of the Complaint allege that in addition to violating 65 ILCS 5/8-11-6a, the Water and Sewer Taxes violate common law principles applicable to municipal utility rates because the City includes the Water and Sewer Taxes in its water and sewer rate structure and then diverts those tax revenues to purposes unrelated to providing water and sewer services, and therefore the resulting Water and Sewer Rates are unreasonable.

15. Counts V and VI of the Complaint assert that the City, by incorporating the Water and Sewer Taxes into its water and sewer charge structure, has violated 65 ILCS 5/11-139-8, which requires that the City only “charge the inhabitants thereof **a reasonable compensation** for the use and service of the combined waterworks and sewage system and to establish rates for that purpose” (emphasis added).

16. Counts VII and VIII of the Complaint assert that the Water and Sewer Taxes violate the Uniformity Clause of the Illinois Constitution, which provides: “In any law classifying the subjects or objects of nonproperty taxes or fees, the classes shall be reasonable and the subjects and objects within each class shall be taxed uniformly. Exemptions, deductions, credits, refunds and other allowances shall be reasonable.” Ill. Const. 1970, art. IX, Sec. 2. The Water and Sewer Taxes violate the Uniformity Clause because (1) they are not based on a real and substantial difference between the people taxed and those not taxed, and (2) they do not bear a reasonable relationship to the object of the Taxes or to public policy.

SUMMARY OF THE UNREASONABLE DISCRIMINATION CLAIMS

17. Counts IX and X of the Complaint allege that, independent of the Water and Sewer Taxes, the City's Water and Sewer Charges to Plaintiff and the Class have been unreasonably discriminatory because: (a) the City does not charge the Exempt Properties and therefore must overcharge Plaintiff and the Class, and (b) there is no cost-based justification for creating a distinction between Plaintiff and the Class, on the one hand, and the Exempt Properties, on the other hand. The unlawful Exemptions have forced Plaintiff and the Class to pay over \$250 million more to the City for their water and sewer services since September 2016 than they would have paid in the absence of the Exemptions.

SUMMARY OF THE EXORBITANT RATE CLAIMS

18. Counts XI and XII of the Complaint allege that the City's incorporation of the Excessive Cost Allocations, Pension Overcharges and Gross Overcharges into its Water and Sewer Rates necessarily mean that these Rates are excessive and that Plaintiff and the Class are inherently overcharged in each water and sewer bill. Because the City has fraudulently incorporated these phantom expenses and overcharges into the City's water and sewer rate structure, Plaintiff and the Class collectively have additionally overpaid the City for water and sewer services by at least \$350 million since September 2016. In sum, through the foregoing wrongful rate practices, Plaintiff and the Class have been forced to pay unreasonable Water and Sewer Rates.

19. The City has grossly mischaracterized – and minimized – the claims in this action in “Official Statements” provided to potential investors from whom the City sought over \$1 billion in 2023 to finance infrastructure improvements to its water and sewer systems. While the City disclosed the existence of this lawsuit in its Official Statements for \$452 million of Sewer Bonds and \$576 million in Water Bonds (recognizing that its potential liability is material) the City did not inform potential investors that Plaintiff and the Class were claiming that the City had illegally garnered

hundreds of millions of dollars from Water and Sewer Customers through the Excessive Cost Allocations and Pension Overcharges. Instead, the City stated only the following:

Farmer v. City of Chicago. This is a putative class action in the Circuit Court of Cook County, Illinois challenging the reasonableness of the City's water rates and sewer rates. In particular, the plaintiff alleges that the various exemptions for hospitals, certain government organizations and non-profits cause non-exempt customers to pay more, causing their rates to be unreasonable. The plaintiff seeks, on behalf of a class of City water and sewer customers, "disgorgement" of the excess charges in the period 2016 to the present. The City has filed a motion to dismiss. The motion has been briefed and argued and a decision is pending. The City is vigorously defending this case. [Exhibit 16 hereto at p. 49].

SUMMARY OF THE RELIEF SOUGHT

20. The City must be enjoined from continuing to collect the Water and Sewer Taxes and must refund all Water and Sewer Taxes it has received since it began imposing the Water and Sewer Taxes in March 2017 as well as refund all Water and Sewer Taxes it receives during the pendency of this lawsuit.

21. Moreover, the City should also be enjoined from continuing to unfairly discriminate against Plaintiff and the Class by arbitrarily excluding the Exempt Customers from the obligation to pay for water and sewer services and refund all Water and Sewer Charges it has received in excess of a lawful amount since September 9, 2016 – the date that is five years prior to the filing of this case – and any additional unlawful amounts it receives during the pendency of this lawsuit.

22. Lastly, the City should also be enjoined from grossly over-allocating the indirect costs of the other City departments to its Water and Sewer Fund (Excessive Cost Allocations) and enjoined from imposing and collecting the Pension Overcharges and the Gross Overcharges. The City should be required to refund all Water and Sewer Charges it has received in excess of a lawful amount since September 9, 2016 and any additional unlawful amounts it receives during the pendency of this lawsuit.

VENUE AND JURISDICTION

23. Plaintiff is a water and sewer customer residing in the City who receives water and sewer service from the City, has directly paid the Water and Sewer Charges at issue including the Water and Sewer Taxes, is a “customer” within the meaning of City Ordinance 3-80, and seeks to act as class representative for all similarly situated persons.

24. Defendant City of Chicago (the “City”) is a home rule municipality located in Cook County, Illinois.

25. Venue and jurisdiction are proper in the Cook County Circuit Court pursuant to 735 ILCS 5/2-103 because the City’s principal offices are located in Cook County and because the actions which give rise to Plaintiff’s claims occurred in Cook County.

THE CITY’S WATERWORKS SYSTEM

26. The City operates a water and sewer utility, the Chicago Waterworks System, under the statutory authority provided to it pursuant to 65 ILCS 5/11-139-1 *et seq.*

27. The City’s water supply system serves customers within the City itself, as well as approximately 125 suburban communities, referred to as “wholesale customers.” The total annual revenues received by the City from its the water supply system operations are roughly split equally between charges imposed upon the City customers and the wholesale customers.

28. The City’s sewer system serves only customers within the City itself. All (or virtually all) of the revenues received by the City from its sewer system operations are paid by the sewer customers in the City.

29. The City holds a monopoly over water and sewer service in the City, sells water and sewer services in a proprietary, not governmental, capacity and is subject to the same rules that apply to a privately owned utility—including the requirement that utility rates be reasonable and not exorbitant. *See e.g. Village of Niles v. City of Chicago*, 82 Ill App 3d 60, 68; 37 Ill Dec 142; 401 NE2d

1235 (1980); *Austin View Civic Ass'n v City of Palos Hts*, 85 Ill App 3d 89, 94-95; 40 Ill Dec 164; 405 NE2d 1256 (1980).

30. The City has admitted that it “sells water and sewer services in a proprietary, not governmental, capacity and is subject to the same rules that apply to a privately owned utility – including the requirement that utility rates be reasonable and not exorbitant.” *See* City’s Answer to Paragraph 9 of the original Complaint. *See also Id.* at ¶. 12 (“The City admits that pursuant to governing common law, the Department’s water and sewer rates may not be excessive”).

31. In addition, the City is precluded from imposing unjustly discriminatory rates and charges on certain of its water and sewer customers. A utility rate scheme is unjustly discriminatory when differences in rates assessed to two groups of customers are not justified by differences in costs to serve those two groups of customers. *Austin View Civic Ass'n v City of Palos Hts*, 85 Ill App 3d 89; 40 Ill Dec 164; 405 NE2d 1256 (1980). The test used for deciding the validity of the difference in rates is to determine whether the difference is reasonable, and not arbitrary, based on a consideration of such factors as differences in the amount of the product used, the time when used, the purpose for which used, or any other relevant factors reflecting a difference in costs. If the difference in rates is not reasonably related to a difference in the costs of providing the service, there is unreasonable discrimination. *Austin View* at p. 99.

32. The City’s ordinances, Chapter 11-12, entitled Water Supply and Service, govern the City’s operation and maintenance of its waterworks system, including determining the rates for water and service. *See* Ordinance 11-12-260 *et seq.* The City’s ordinance, Chapter 3-12-010 *et seq.*, entitled Sewer Revenue Fund, governs the rates and charges for sewer service.

33. 65 ILCS 5/11-139-8 authorizes the City to establish rates for water and sewer services to the City’s water and sewer customers and imposes the express limitation that the City only “charge

the inhabitants thereof a reasonable compensation for the use and service of the combined waterworks and sewage system and to establish rates for that purpose.”

34. Pursuant to 65 ILCS 5/11-139-8 and governing common law, the City’s water and sewer rate revenues cannot be excessive, and the charges imposed upon the City’s water and sewer customers must be for the actual use of the City’s water and sewer system. *See e.g. Ross v Geneva*, 43 Ill App 3d 976, 980-81; 2 Ill Dec 609; 357 NE2d 829 (1976); *Norwick v Winfield*, 81 Ill App 2d 197, 200; 225 NE2d 30 (1967).

35. The City’s methodology for establishing Water and Sewer Rates is completely arbitrary. Eschewing industry rate-making standards, the City has never conducted a true “cost of service” study. Such studies are routinely utilized by municipal utilities to determine the “Revenue Requirements” of their water and sewer systems – *i.e.*, the costs and expenses the City incurs to operate, maintain and improve those systems – and to derive fair and equitable Rates and Charges to cover the Revenue Requirements. Instead, like clockwork, the City merely increases its Water and Sewer Rates by the lesser of 5% or the rate of inflation every year. These increases are completely untethered to the actual expenses of the City’s Water and Sewer Funds.

36. In 2023, the City represented that, beginning in 2030, the City would start to charge its suburban water customers (but not water customers in the City) a “Cost-of-Service Water Rate” based upon the “M1 Manual” published by the American Water Works Association (“AWWA”). *See* Exhibit 14 hereto at p. 42. The City admitted that the “**M1 Manual is considered to be the industry standard for setting water rates by public water suppliers nationally** and is used by peer entities such as Great Lakes Water Authority, Metropolitan Water District of Southern California, the City of Houston, the City of Philadelphia, San Francisco Public Utilities Commission, and San Diego County Water Authority.” *Id.* (emphasis added). The City stated:

AWWA provides transparency to customers; cost of service requires detailed accounting of components of the system and allocates cost of service to each customer. *See* Exhibit 16 hereto at p. 23 (City’s “Financial Update” dated April 23, 2023) (emphasis in original).

37. Notwithstanding the City’s admissions, the City has never conducted a true cost-of-service study for its Water or Sewer Systems, much less utilized the M1 Manual or implemented rates and charges that were consistent with the methodology set forth in the M1 Manual. Stated simply, the City has never even attempted to devise Water and Sewer Rates that comply with the “industry standard.”

CLASS ALLEGATIONS

38. Plaintiff brings this action as a class action, pursuant to 735 ILCS 5/2-801 et seq., individually and on behalf of two proposed classes: (1) for Counts I through VIII a class consisting of all persons or entities who have received water and/or sewer services in the City and who/which are “purchasers” under Ordinance 3-80 and who/which have incurred or paid Water and/or Sewer Taxes on or after March 1, 2017 and (2) for Counts IX through XII a class consisting of all persons or entities who have received water and/or sewer service within the City and who/which have incurred or paid Water and/or Sewer Rates and Charges on or after September 9, 2016 and who are not “Exempt Customers.”

39. The members of the Class are so numerous that joinder of all members is impracticable.

40. Plaintiff’s claims are typical of the claims of members of the Class. Plaintiff is a member of the Class she seeks to represent, Plaintiff was injured by the same wrongful conduct that injured the other members of the Class, and the City has acted wrongfully in the same basic manner as to the entire class.

41. There are questions of law and fact common to all Class Members that predominate

over any questions, which, if they even exist, affect only individual Class Members, including:

- a. whether Ordinance 3-80, which establishes the Water and Sewer Taxes, is preempted by Illinois statute and thus unlawful and unauthorized;
- b. whether the Water and/or Sewer Taxes imposed by the City are unlawful and unauthorized under Illinois common law;
- c. whether the Water and Sewer Taxes are imposed for, or related to, the actual use of the City's waterworks and sewer systems;
- d. whether the Water Taxes have been imposed in violation of 65 ILCS 5/8-11-6a;
- e. whether the Water and Sewer Taxes violate the Uniformity Clause of the Illinois Constitution, Ill. Const. 1970, art. IX, Sec. 2;
- f. whether the City's exemption of the Exempt Properties from payment of the Water and Sewer Rates and Charges constitutes unfair discrimination, rendering the City's Water and Sewer Rates unreasonably discriminatory;
- g. whether the City grossly over-allocates the indirect costs of the City's other departments to the Water and Sewer Fund;
- h. whether the City's unfair cost allocation methods have rendered the Water and Sewer Rates unfair and unreasonable;
- i. whether the City's Pension Overcharge render the Water and Sewer Rates unfair and unreasonable; and
- j. whether the City should be required to disgorge and refund to its water and sewer customers all Water and Sewer Taxes, and the other wrongfully collected Water and Sewer Charges described herein.

42. Plaintiff will fairly and adequately protect the interests of the Class, and Plaintiff has no interests antagonistic to those of the Class. Plaintiff is committed to the vigorous prosecution of this action and has retained competent and experienced counsel to prosecute this action.

43. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. The prosecution of separate actions would create a risk of inconsistent or varying adjudications. Furthermore, the prosecution of separate actions would substantially impair and impede the ability of individual class members to protect their interests. In addition, since individual refunds may be relatively small for most members of the class, the burden and expense of prosecuting litigation of this nature makes it

unlikely that members of the class would prosecute individual actions. Plaintiff anticipates no difficulty in the management of this lawsuit as a class action.

COUNT I
ASSUMPSIT-MONEY HAD AND RECEIVED FOR VIOLATION OF 65 ILCS 5/8-11-6a

WATER TAX

44. Plaintiff incorporates each of the preceding paragraphs 1 through 43, inclusive, as if fully set forth herein.

45. In 2016, the City was in dire financial straits due to the gross underfunding of the City's pension obligations. Actuaries for the City had reported that if the City did not increase its payments to the City's Municipal Employees' Annuity and Benefit Fund (the "Benefit Fund"), that the Benefit Fund would be out of money by 2025.

46. On September 14, 2016, the City's Council approved a tax on water and sewer usage in order to increase its payments to the Benefit Fund. As stated by the City:

The Chicago City Council and Mayor Emanuel approved a four-year phase-in of a water and sewer utility tax. The revenue from this tax will be used to make certain mandated pension payments. These mandated pension payments will support the retirements of many municipal employees, including our snow plow drivers, our librarians, and CPS non-teaching staff, such as classroom aides. *See* Exhibit 2, the City's Water-Sewer Tax FAQ.

47. To implement the new tax, the City's Council passed Ordinance 3-80, entitled "Chicago Water and Sewer Tax." Under the ordinance, the tax is expressly imposed upon: "(1) the use and consumption in the City of water that is purchased from the Department of Water Management and (2) the transfer of wastewater to the City sewer system from property located in the City. The ultimate incidence and liability for payment of the tax is upon the Purchaser." *See* Exhibit 3, Ordinance 3-80 at § 3-80-030.

48. Pursuant to Ordinance 3-80 the Water and Sewer Taxes were to be phased in over a period of four years. Exhibit 2, the City's Water-Sewer Tax FAQ; Exhibit 3, Ordinance 3-80 at § 3-80-040.

49. Specifically, starting in March 2017, the City began to impose the Water and Sewer Taxes at the rate of \$.295 per 1,000 gallons of water and per 1,000 gallons of sewer—for a total of \$.59 per 1,000 gallons of water-sewer use. Over the next three years the Water and Sewer Taxes climbed to \$2.51 per 1,000 gallons of water and per 1,000 gallons of sewer used.

Rate per 1,000 gallons (approximately)

| YEAR | TAX ON WATER PORTION | TAX ON SEWER PORTION | TOTAL TAX (WATER & SEWER) | Y-O-Y TAX RATE INCREASE |
|------|----------------------|----------------------|---------------------------|-------------------------|
| 2017 | \$.295 | \$.295 | \$.59 | 7.7% |
| 2018 | \$.64 | \$.64 | \$1.28 | 8.4% |
| 2019 | \$1.005 | \$1.005 | \$2.01 | 8.2% |
| 2020 | \$1.255 | \$1.255 | \$2.51 | 5.2% |
| 2021 | \$1.255 | \$1.255 | \$2.51 | 0.0% |

See Exhibit 2, the City's Water-Sewer Tax FAQ; Exhibit 3, Ordinance 3-80 at § 3-80-040.

50. If water-sewer customers, like Plaintiff, fail to pay the Water and Sewer Taxes, a penalty accrues at a rate of 1.25% per month. Exhibit 2, the City's Water-Sewer Tax FAQ; Exhibit 3, Ordinance 3-80 at § 3-80-060. Moreover, Article V of the City's Water and Sewer Ordinances, § 11-12-330 *et seq.* entitled Assessing and Collecting Charges permits the City to, among other actions: pursue unpaid water and sewer charges via collection action (§ 11-12-330); assess late payment penalties (§ 11-12-420); and authorizes the City to terminate service and shut off water should the customer fall into arrears on water bills that are unpaid after a period of 30 days (§ 11-12-480).

51. In addition, state statutes provide the City with broad powers to enforce and collect unpaid water and sewer charges. 65 ILCS 5/11-139-8 creates a lien in favor of a municipality to secure payment of water and sewer charges, and further authorizes municipalities to bring civil actions to recovery unpaid water and sewer charges and gives the municipalities the right to recover their attorneys' fees in such actions. Payment of the Water and Sewer Taxes therefore is not voluntary.

52. The City began imposing the Water and Sewer Taxes upon its water and sewer customers expressly as a means of generating additional revenue to finance its general governmental obligation of funding its pension benefit obligations.

53. Thus, the Water and Sewer Taxes imposed by Ordinance No. 3-80 are not for or related to Plaintiff's actual use of the City's water and sewer system. Accordingly, the Water and Sewer Taxes are unlawful and unauthorized charges upon Plaintiff and those water and sewer customers in the City who/which have incurred or paid the Water and Sewer Taxes and are similarly situated.

54. Pursuant to Ill Const. art. VII § 6(a), the City is automatically conferred "home rule" status because it has a population of more than 25,000 residents.

55. Traditional municipalities are political subdivisions of the state and may only exercise the authority the state expressly grants to them. In contrast, home rule municipalities like the City govern more independently from the state and may exercise any power and perform any function unless it is expressly prohibited from doing so by state law. *See generally* Ill Const. art. VII § 6 and specifically Ill Const. art. VII § 6 (i).

56. Thus, as a home rule municipality, the City enjoys legislative autonomy and has the power to tax, subject to express state laws that regulate the type of taxes the City may impose.

57. Illinois statute 65 ILCS 5/8-11-6a, entitled "Home Rule Municipalities; Preemption of Certain Taxes" provides in relevant part:

Except as provided in Sections 8-11-1, 8-11-5, 8-11-6, 8-11-6b, 8-11-6c, 8-11-23, and 11-74.3-6 on and after September 1, 1990, no home rule municipality has the authority to impose, pursuant to its home rule authority, a retailer's occupation tax, service occupation tax, use tax, **sales tax or other tax on the use, sale or purchase of tangible personal property based on the gross receipts from such sales or the selling or purchase price of said tangible personal property.**

Notwithstanding the foregoing, this Section does not preempt any home rule imposed tax such as the following:

(7) other taxes not based on the selling or purchase price or gross receipts from the use, sale or purchase of tangible personal property.

This Section is a limitation, pursuant to subsection (g) of Section 6 of Article VII of the Illinois Constitution, on the power of home rule units to tax. [emphasis added].

58. The overarching legislative purpose of § 8-11-6a is to restrict a home rule municipality's power to tax. *See Ivan Ries & Co v City of Chicago*, 160 NE3d 916, 922 (2019) (“clear legislative intent to limit a home rule unit's authority to impose certain taxes”).

59. The Water Tax is a tax on the purchase of tangible personal property—water—that is based on the cost of the amount of water purchased by the City's water customers, and thus is a tax based upon the gross receipts from the sale of, or the selling or purchase price of, water by the City to its water customers in violation of 65 ILCS 5/8-11-6a.

60. The City's Ordinance No. 3-80 is thus preempted by 65 ILCS 5/8-11-6a and as such, the Water Tax is an unlawful and unauthorized tax upon Plaintiff and those of the City's water customers that have incurred or paid the Water Tax and are thus similarly situated.

61. 65 ILCS 5/8-11-6a restricts the City's power to tax, expressly prohibiting imposition of a use tax, sales tax or other tax on the use, sale, or purchase of tangible personal property based on the gross receipts from such sales or the sales price.

62. The Water Tax, first imposed by the City in March 2017, is a use tax, sales tax and/or other tax on the use, sale, and/or purchase of tangible personal property (water) that is also based on the gross receipts from such sales and/or the sales price.

63. 65 ILCS 5/8-11-6a preempts the Water Tax's enacting ordinance, Ord. No. 3-80.

64. The Water Tax is unlawful, invalid, and unauthorized under Illinois law, specifically 65 ILCS 5/8-11-6a.

65. As a direct and proximate result of the City's unlawful and improper conduct in imposing and collecting the Water Taxes, the City has collected millions of dollars to which it is not entitled.

66. A claim to recover amounts paid to a governmental unit in excess of the amount allowed under law is properly filed as an equitable action in assumpsit for money had and received.

67. By virtue of the City's imposition of the Water Tax, the City has collected amounts in excess of the amounts it was legally entitled to collect. Therefore, Plaintiff is entitled to maintain an equitable action of assumpsit to recover back the amount of the illegal exaction.

68. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water Tax, Plaintiff and the Class have conferred a benefit upon on the City.

69. Under equitable principles, the City should be required to disgorge the amounts it unlawfully collected through its unlawful imposition of the Water Tax.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who have received water service in the City of Chicago, who/which are "purchasers" under Ordinance 3-80 and have incurred or paid Water Taxes at any time on or after March 1, 2017 and who/which incur or pay the Water Taxes during the pendency of this action.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water Taxes imposed or collected at any time on or after March 1, 2017 and during the pendency of this action, refund all Water Taxes it has collected to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water Taxes to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from collecting any past Water Taxes and from imposing or collecting Water Taxes in the future;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

COUNT II
UNJUST ENRICHMENT FOR VIOLATION OF 65 ILCS 5/8-11-6a

WATER TAX

70. Plaintiff incorporates each of the preceding paragraphs 1 through 69, inclusive, as if fully set forth herein.

71. 65 ILCS 5/8-11-6a, restricts the City's power to tax, expressly prohibiting imposition of a use tax, sales tax or other tax on the use, sale, or purchase of tangible personal property based on the gross receipts from such sales or the sales price.

72. The Water Tax, first imposed by the City in March 2017, is a use tax, sales tax and/or other tax on the use, sale, and/or purchase of tangible personal property (water) that is also based on the gross receipts from such sales.

73. 65 ILCS 5/8-11-6a preempts the Water Tax's enacting ordinance, Ord. No. 3-80.

74. The Water Tax is unlawful, invalid, and unauthorized under Illinois law, specifically 65 ILCS 5/8-11-6a.

75. As a direct and proximate result of the City's unlawful and improper conduct in imposing and collecting the Water Taxes, the City has collected millions of dollars to which it is not entitled.

76. By virtue of the City's imposition of the Water Tax, the City has collected amounts in excess of amounts it was legally entitled to collect.

77. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water Tax, Plaintiff and the Class have conferred a benefit upon on the City and it would be inequitable for the City to retain that benefit.

78. Under equitable principles, the City should be required to disgorge the amounts it unlawfully collected through its unlawful imposition and collection of the Water Tax.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who have received water service in the City of Chicago, who/which are "purchasers" under Ordinance 3-80 and have incurred or paid Water Taxes at any time on or after March 1, 2017 and who/which incur or pay the Water Taxes during the pendency of this action.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water Taxes imposed or collected at any time on

or after March 1, 2017 and during the pendency of this action, refund all Water Taxes it has collected to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water Taxes to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from collecting any past Water Taxes and from imposing or collecting Water Taxes in the future;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

COUNT III
ASSUMPSIT-MONEY HAD AND RECEIVED – UNREASONABLE WATER AND SEWER RATES

WATER AND SEWER TAXES

79. Plaintiff incorporates each of the preceding paragraphs 1 through 78, inclusive, as if fully set forth herein.

80. Under Illinois common law, Water and Sewer Rates must be reasonable and all charges imposed must relate to the actual use of the water and sewer system. *See e.g. Village of Niles v. City of Chicago*, 82 Ill App 3d 60, 68; 37 Ill Dec 142; 401 NE2d 1235 (1980); *Austin View Civic Ass'n v City of Palos Hts*, 85 Ill App 3d 89, 94-95; 40 Ill Dec 164; 405 NE2d 1256 (1980).

81. Water and Sewer Taxes are not for or related to Plaintiff's actual use of the City's water and sewer system, but are imposed to increase payments to the City's Municipal Employees' Annuity and Benefit Fund.

82. The City's Water and Sewer Taxes, when incorporated into the City's Water and Sewer Rates, render these rates arbitrary, capricious, and unreasonable.

83. A claim to recover amounts paid to a governmental unit in excess of the amount allowed under law is properly filed as an equitable action in assumpsit for money had and received.

84. The right to “reparations” under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal R.R. Association v. Public Utilities Com.* (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate.** (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E. 739, *aff'd* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

85. By virtue of the City’s imposition of the Water and Sewer Taxes, the City has collected amounts in excess of the amounts it was legally entitled to collect. Therefore, Plaintiff is entitled to maintain an equitable action of assumpsit to recover back the amount of the illegal exaction.

86. As a direct and proximate result of the City’s improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water and Sewer Taxes, Plaintiff and the Class have conferred a benefit upon on the City.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who have received water and/or sewer service in the City of Chicago, who/which are “purchasers” under Ordinance 3-80 and have incurred or paid Water and/or Sewer Taxes at any time on or after March 1, 2017 and who/which incur or pay the Water and/or Sewer Taxes during the pendency of this action.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water and Sewer Taxes imposed or collected at any time on or after March 1, 2017 and during the pendency of this action, refund all Water and Sewer Taxes it has collected to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Taxes to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from collecting any past Water and Sewer Taxes and from imposing or collecting Water and Sewer Taxes in the future;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys’, accountants’, and experts’ fees; and

G. Grant any other appropriate relief.

COUNT IV
UNJUST ENRICHMENT – UNREASONABLE WATER AND SEWER RATES

WATER AND SEWER TAXES

87. Plaintiff incorporates each of the preceding paragraphs 1 through 86, inclusive, as if fully set forth herein.

88. Under Illinois common law, Water and Sewer Rates must be reasonable and all charges imposed must relate to the actual use of the water and sewer system. *See e.g. Village of Niles v. City of*

Chicago, 82 Ill App 3d 60, 68; 37 Ill Dec 142; 401 NE2d 1235 (1980); *Austin View Civic Ass'n v City of Palos Hts*, 85 Ill App 3d 89, 94-95; 40 Ill Dec 164; 405 NE2d 1256 (1980).

89. The Water and Sewer Taxes are not for or related to Plaintiff's actual use of the City's water and sewer system but is imposed to increase payments to the City's Municipal Employees' Annuity and Benefit Fund.

90. The City's Water and Sewer Taxes, when incorporated into the City's Water and Sewer Rates, render these rates arbitrary, capricious, and unreasonable.

91. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water and Sewer Taxes, Plaintiff and the Class have conferred a benefit upon on the City.

92. By virtue of the City's inclusion of the Water and Sewer Taxes in its water and sewer rates, the City has collected amounts in excess of the amounts it was legally entitled to collect.

93. The City has been unjustly enriched because it received the Water and Sewer Tax revenues to which it was not entitled, and it would be unfair for the City to retain the Water and Sewer Taxes under the circumstances.

94. The right to "reparations" under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal R.R. Association v. Public Utilities Com.* (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate.** (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E.

739, *aff'd* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

95. The City should be required to disgorge the amounts by which it has been unjustly enriched.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who have received water and/or sewer service in Chicago, who/which are “purchasers” under Ordinance 3-80 and who/which have incurred or paid Water and/or Sewer Taxes at any time on or after March 1, 2017 and who/which incur or pay the Water and/or Sewer Taxes during the pendency of this action.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water and Sewer Taxes imposed or collected at any time on or after March 1, 2017 and during the pendency of this action, refund all Water and Sewer Taxes it has collected to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Taxes to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from collecting any past Water and Sewer Taxes and from imposing or collecting Water and Sewer Taxes in the future;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

COUNT V

ASSUMPSIT-MONEY HAD AND RECEIVED – VIOLATION OF 65 ILCS 5/11-139-8

WATER AND SEWER TAXES

96. Plaintiff incorporates each of the preceding paragraphs 1 through 95, inclusive, as if fully set forth herein.

97. 65 ILCS 5/11-139-8 authorizes the City to establish rates for water and sewer services to the City's water and sewer customers, and imposes the express limitation that the City only "charge the inhabitants thereof a reasonable compensation for the use and service of the combined waterworks and sewage system and to establish rates for that purpose."

98. By including the Water and Sewer Taxes in the City's water and sewer rates, the City has failed to charge its inhabitants "a reasonable compensation for the use and service of the combined waterworks and sewage system" in violation of 65 ILCS 5/11-139-8.

99. The City's Water and Sewer Taxes, when incorporated into the City's Water and Sewer Rates, render these rates arbitrary, capricious, and unreasonable.

100. A claim to recover amounts paid to a governmental unit in excess of the amount allowed under law is properly filed as an equitable action in assumpsit for money had and received.

101. The right to "reparations" under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal R.R. Association v. Public Utilities Com.* (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based**

upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate. (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E. 739, *aff'd* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

102. By virtue of the City's imposition of the Water and Sewer Taxes, the City has collected amounts in excess of the amounts it was legally entitled to collect. Therefore, Plaintiff is entitled to maintain an equitable action of assumpsit to recover back the amount of the illegal exaction.

103. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water and Sewer Taxes, Plaintiff and the Class have conferred a benefit upon on the City.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who/which have received water and/or sewer service in the City of Chicago, who/which are "purchasers" under Ordinance 3-80 and have incurred or paid Water and/or Sewer Taxes at any time on or after March 1, 2017 and who/which incur or pay the Water and/or Sewer Taxes during the pendency of this action.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water and Sewer Taxes imposed or collected at any time on or after March 1, 2017 and during the pendency of this action, refund all Water and Sewer

Taxes it has collected to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Taxes to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from collecting any past Water and Sewer Taxes and from imposing or collecting Water and Sewer Taxes in the future;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

COUNT VI
UNJUST ENRICHMENT – VIOLATION OF 65 ILCS 5/11-139-8

WATER AND SEWER TAXES

104. Plaintiff incorporates each of the preceding paragraphs 1 through 103, inclusive, as if fully set forth herein.

105. 65 ILCS 5/11-139-8 authorizes the City to establish rates for water and sewer services to the City's water and sewer customers and imposes the express limitation that the City only "charge the inhabitants thereof a reasonable compensation for the use and service of the combined waterworks and sewage system and to establish rates for that purpose."

106. By including the Water and Sewer Taxes in the City's water and sewer rates, the City has failed to charge its inhabitants "a reasonable compensation for the use and service of the combined waterworks and sewage system" in violation of 65 ILCS 5/11-139-8.

107. The City's Water and Sewer Taxes, when incorporated into the City's Water and Sewer Rates, render these rates arbitrary, capricious, and unreasonable.

108. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water and Sewer Taxes, Plaintiff and the Class have conferred a benefit upon on the City.

109. By virtue of the City's inclusion of the Water and Sewer Taxes in its water and sewer rates, the City has collected amounts in excess of the amounts it was legally entitled to collect.

110. The right to "reparations" under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal R.R. Association v. Public Utilities Com.* (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate.** (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E. 739, *aff'd* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

111. The City has been unjustly enriched because it received the Water and Sewer Tax revenues to which it was not entitled, and it would be unfair for the City to retain the Water and Sewer Taxes under the circumstances.

112. The City should be required to disgorge the amounts by which it has been unjustly enriched.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who/which have received water and/or sewer service in the City of Chicago, who/which are “purchasers” under Ordinance 3-80 and have incurred or paid Water and/or Sewer Taxes at any time on or after March 1, 2017 and who/which incur or pay the Water and/or Sewer Taxes during the pendency of this action.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water and Sewer Taxes imposed or collected at any time on or after March 1, 2017 and during the pendency of this action, refund all Water and Sewer Taxes it has collected to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Taxes to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from collecting any past Water and Sewer Taxes and from imposing or collecting Water and Sewer Taxes in the future;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys’, accountants’, and experts’ fees; and

G. Grant any other appropriate relief.

COUNT VII
ACTION FOR REPARATIONS-MONEY HAD AND RECEIVED FOR VIOLATION OF
UNIFORMITY CLAUSE OF ILLINOIS CONSTITUTION

WATER AND SEWER TAXES

113. Plaintiff incorporates each of the preceding paragraphs 1 through 112, inclusive, as if fully set forth herein.

114. The Uniformity Clause of the Illinois Constitution provides: “In any law classifying the subjects or objects of nonproperty taxes or fees, the classes shall be reasonable and the subjects and objects within each class shall be taxed uniformly. Exemptions, deductions, credits, refunds and other allowances shall be reasonable.” Ill. Const. 1970, art. IX, Sec. 2.

115. The Water and Sewer Taxes are not property taxes. For a nonproperty tax classification to survive scrutiny under the uniformity clause, the classification must (1) be based on a real and substantial difference between the people taxed and those not taxed, **and** (2) bear some reasonable relationship to the object of the legislation or to public policy. *Milwaukee Safeguard Ins. Coc. v. Selcke*, 179 Ill.2d 94, 98, 688 N.E.2d 68 (1997). The tax “must meet **both** prongs of the uniformity test to pass constitutional muster.” *U.S.G. Italian Marketcaffè v. City of Chicago*, 332 Ill. App. 3d 1008, 1015, 775 N.E.2d 47 (1st Dist. 2002) (emphasis added).

116. The Uniformity Clause was intended to be a broader limitation on legislative power to classify for nonproperty tax purposes than the limitation of the equal protection clause (*Searle Pharmaceuticals, Inc. v. Dept. of Revenue*, 117 Ill.2d 454, 469, 512 N.E.2d 1240 (1987)) and was meant to insure that taxpayers would receive added protection in the state constitution based upon a standard of reasonableness that is more rigorous than that contained in the federal constitution (*Milwaukee Safeguard*, 179 Ill.2d at 102). As a result, the party attacking a tax classification is not required to negate every conceivable basis that might support it. *Searle*, 117 Ill.2d at 468. The reasonable relationship

test requires some meaningful linkage between the tax and the object of the legislation establishing the tax.

117. The Water and Sewer Taxes violate the Uniformity Clause because (1) they are not based on a real and substantial difference between the people taxed and those not taxed, and (2) they do not bear a reasonable relationship to the object of the legislation or to public policy.

118. First, there is no “real and substantial” difference between water and sewer customers who pay the Taxes, and other groups of citizens and property owners in the City who do not pay the Taxes. The Taxes are used to fund the City’s pension obligations owed to the Municipal Employees’ Fund, which includes employees whose employment services benefit the City and its citizens generally. Water and Sewer customers do not cause or contribute to the City’s need to fund pensions in any manner different than other citizens in the City who are not water and sewer customers, including but not limited to the owners and occupiers of properties (like vacant lots and parking lots) that do not have water and sewer service.

119. The City’s decision to finance hundreds of millions of dollars of pension contributions to the Municipal Employees’ Fund through taxes imposed only on water and sewer customers is completely arbitrary. The City clearly cannot justify the tax classification by arguing that the Taxes support **only** the pensions of employees of the Water Fund or Sewer Funds. Indeed, Water Fund employees represent just 6.4% of the covered payroll of all employees covered by the Municipal Employees’ Fund and Sewer Fund employees represent just 3.1% of that covered payroll. Therefore, over 90% of the employees covered by the Municipal Employees’ Fund – representing 90% of the expense of that Fund – are not associated with the Water or Sewer Funds.

120. Even worse for the City, the annual contributions to the Municipal Employees’ Fund attributable to the Water and Sewer Funds are already funded by the City’s water and sewer usage

Charges, which are completely separate from the Water and Sewer Taxes. According to the City, the pension costs are to be allocated based upon each City fund's percentage of the total "covered payroll" of all City funds with employees in the Municipal Employees' Fund. For 2020, the total "covered payroll" of all of the applicable City funds was \$1,861,905,000. *See* Exhibit 12 hereto. In 2022, for example, the City allocated \$59,725,000 of the total City contribution to the Municipal Employees' Fund to the Water Fund. *See* Exhibit 11, hereto. That \$59,725,000 – which, again, was **in addition to** the \$200+ million in Water and Sewer Taxes currently being by the very same group of water and sewer customers – was incorporated into the City's Water Rates being paid by its water customers.

121. All properties and citizens in the City that are not water or sewer customers of the City are not subject to the Water and Sewer Taxes. While it may be tempting to equate the class of water and sewer customers in the City with the class of all property owners in the City, that would be a mistake. Among the Chicago citizens who do not pay Water and Sewer Taxes are owners of parking lots, vacant land and any other properties or structures that are not hooked up to the City's water and sewer system. Those properties receive the benefit of the City's increased pension funding for City employees in the Municipal Employees' Fund. Yet, the City proffers no justification for its exemptions extended to those properties and citizens.

122. In addition, there is no "real and substantial" difference between water and sewer customers who pay the Taxes and the Exempt Customers. Both groups receive the very same treated water from the City and both groups receive the very same sewage disposal services. The only difference between the two groups is that the City has arbitrarily chosen to excuse the Exempt Customers from their obligation to pay the Taxes.

123. Second, the City's method of imposing and collecting the Taxes does not bear a reasonable relationship to the object of the legislation or to public policy.

124. The “object” of the City’s ordinance imposing the Water and Sewer Taxes is to finance pension benefits for general employees of the City. *See* “Water and Sewer Tax FAQ (Exhibit 2 hereto) (“The revenue from this tax will be used to make certain mandated pension payments” that “will support the retirements of many municipal employees, including our snow plow drivers, our librarians, and CPS non-teaching staff, such as classroom aides”); City Ordinance Section 3-80-070 (Exhibit 3 hereto) (“All proceeds resulting from the imposition of the tax imposed by this chapter, including any interest or penalties relating to the tax, shall be deposited in the City’s Corporate Fund and shall be used to meet the City’s funding obligations to the Municipal Employees’ Annuity and Benefit Fund of Chicago”).

125. A tax on only some water and sewer customers has no “reasonable relationship” to that object – *i.e.*, there is no linkage between water and sewer usage by the City’s water and sewer customers who incur and pay the Water and Sewer Taxes and the City’s obligation to fund the pensions. This is particularly true given that the amount of the Water and Sewer Taxes paid by the persons subject to the tax is based upon how much water they use. Not only does water usage in general have no reasonable relationship to the object of funding municipal pensions but the fact that the amount each water and sewer customer must contribute to the funding of the pensions based upon, for example, how long they shower every morning and/or how much they water their lawn makes the relationship even more attenuated. In sum, the class of taxpayers subject to the tax is not part of the class which is regulated or benefitted by the pension contributions financed with the tax proceeds and the measure of the Tax renders the claimed relationship even more unreasonable. This is particularly true given that water and sewer customers already finance the pension benefits of retired water and sewer employees through their water and sewer rates.

126. In order to be “reasonably related” to the object of the Taxes, each payer of the Taxes need not personally benefit from the use of the tax proceeds and it is permissible for persons who do not pay the tax to benefit, but the class of taxpayers subject to the tax must be part of the class which is regulated or benefitted by the program financed (at least in part) with the tax proceeds.

127. The Water and Sewer Tax is unlawful, invalid, and unauthorized under Illinois law, specifically the Uniformity Clause.

128. As a direct and proximate result of the City’s unlawful and improper conduct in imposing and collecting the Water and Sewer Taxes, the City has collected millions of dollars to which it is not entitled.

129. A claim to recover amounts paid to a governmental unit in excess of the amount allowed under law is properly filed as an equitable action.

130. The right to “reparations” under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal R.R. Association v. Public Utilities Com.* (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate.** (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E. 739, *aff’d* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

131. By virtue of the City's imposition of the Water and Sewer Taxes, the City has collected amounts in excess of the amounts it was legally entitled to collect. Therefore, Plaintiff is entitled to maintain an equitable action to recover back the amount of the illegal exaction.

132. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water Tax, Plaintiff and the Class have conferred a benefit upon on the City.

133. Under equitable principles, the City should be required to disgorge the amounts it unlawfully collected through its unlawful imposition of the Water Tax.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who have received water and/or sewer service in the City of Chicago, who/which are "purchasers" under Ordinance 3-80, and have incurred or paid Water and/or Sewer Taxes at any time on or after March 1, 2017 and who/which incur or pay the Water and/or Sewer Taxes during the pendency of this action.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water and Sewer Taxes imposed or collected at any time on or after March 1, 2017 and during the pendency of this action, refund all Water and Sewer Taxes it has collected to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Taxes to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from collecting any past Water and Sewer Taxes and from imposing or collecting Water and Sewer Taxes in the future;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

COUNT VIII
UNJUST ENRICHMENT FOR VIOLATION OF
UNIFORMITY CLAUSE OF THE ILLINOIS CONSTITUTION

WATER AND SEWER TAXES

134. Plaintiff incorporates each of the preceding paragraphs 1 through 133 inclusive, as if fully set forth herein.

135. The Water and Sewer Tax is unlawful, invalid, and unauthorized under Illinois law, specifically the Uniformity Clause.

136. As a direct and proximate result of the City's unlawful and improper conduct in imposing and collecting the Water and Sewer Taxes, the City has collected millions of dollars to which it is not entitled.

137. By virtue of the City's imposition of the Water and Sewer Taxes, the City has collected amounts in excess of amounts it was legally entitled to collect.

138. A claim to recover amounts paid to a governmental unit in excess of the amount allowed under law is properly filed as an equitable action.

139. The right to "reparations" under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal R.R. Association v. Public Utilities Com.* (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate.** (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E. 739, *aff'd* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

140. Plaintiff and the Class have conferred a benefit upon the City and it would be inequitable for the City to retain that benefit.

141. Under equitable principles, the City should be required to disgorge the amounts it unlawfully collected through its unlawful imposition and collection of the Water Taxes.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who have received water and/or sewer service in the City of Chicago, who/which are “purchasers” under Ordinance 3-80 and have incurred or paid Water and/or Sewer Taxes at any time on or after March 1, 2017 and who/which incur or pay the Water and/or Sewer Taxes during the pendency of this action.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water and Sewer Taxes imposed or collected at

any time on or after March 1, 2017 and during the pendency of this action, refund all Water and Sewer Taxes it has collected to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Taxes to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from collecting any past Water and Sewer Taxes and from imposing or collecting Water and Sewer Taxes in the future;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

COUNT IX

CLAIM FOR REPARATIONS – UNFAIR DISCRIMINATION IN RATES AND CHARGES

WATER AND SEWER RATES AND CHARGES

142. Plaintiff incorporates each of the preceding paragraphs 1 through 43, inclusive, as if fully set forth herein.

143. Separate and independent of the Water and Sewer Taxes, the City's Water and Sewer Charges to Plaintiff and the Class have been unreasonably discriminatory because the City has illegally exempted thousands of similarly-situated water and sewer customer locations from their obligation to pay the City's Water and Sewer Rates and Charges, which has resulted in dramatically higher Rates and Charges being assessed against Plaintiff and the Class.

144. Plaintiff's unfair discrimination claims described in this Count and Count X are based upon common law principles (described in detail below) which prohibit unreasonable rate discrimination and not upon the equal protection provisions of the Illinois Constitution. *See, e.g.,*

Greater Peoria Sanitary & Sewage Disposal Dist. v. Kellstedt, 130 Ill. App. 3d 1002, 1004-1005, 474 N.E.2d 1267 (3d Dist. 1985) (explaining that common law unreasonable discrimination claims are different than equal protection claims and subject to a more lenient standard).

145. Further, while the Uniformity Clause claims in Counts VII and VIII are based upon the City's imposition of the Water and Sewer **Taxes**, and therefore the "exemptions" that are part of the uniformity challenge are "exemptions" from those **Taxes**, the Unreasonable Discrimination Claims are based upon City exemptions of various users, including senior citizens, from payment of **water and/or sewer usage charges**. The Unreasonable Discrimination Claims are not judged by or subject to the standards of the Uniformity Clause, but rather by the common law principles and limitations applicable to water and sewer charges imposed by municipal utilities.

146. The City is precluded from imposing unjustly discriminatory rates and charges on certain of its water and sewer customers. A utility rate scheme is unjustly discriminatory when differences in rates assessed to two groups of customers are not justified by differences in costs to serve those two groups of customers. *Austin View Civic Ass'n v City of Palos Hts*, 85 Ill App 3d 89; 40 Ill Dec 164; 405 NE2d 1256 (1980). The test used for deciding the validity of the difference in rates is to determine whether the difference is reasonable, and not arbitrary, based on a consideration of such factors as differences in the amount of the product used, the time when used, the purpose for which used, or any other relevant factors reflecting a difference in costs. If the difference in rates is not reasonably related to a difference in the costs of providing the service, there is unreasonable discrimination. *Austin View* at p. 99.

147. The City's Ordinance creates a number of total and partial payment exemptions (the "Exemptions") for various types of properties which receive water and/or sewer services from the City (the "Exempt Customers"). The Exempt Customers include the City itself, the Chicago Public

Schools, City College, certain hospitals and certain nonprofit organizations. Section 11-12-540 of the Ordinance (Exhibit 4 hereto) creates these exemptions and provides as follows:

(a) The comptroller shall exempt from the payment of water rates the property enumerated in this subsection (a) if the account for such property is controlled by meter, as follows. If the account for such property is not controlled by meter, no exemption shall apply.

(1) Any property of the State of Illinois that is used as an armory by the state or federalized national guard shall be exempt from payment of 100% of the water service charge.

(2) All property owned or leased or occupied by the City of Chicago shall be exempt from payment of 100% of the water service charge, unless said City, either as lessee or lessor, shall enter into an agreement for the payment of rates by the other party.

(3) All property owned or leased or occupied by the Chicago Public Schools shall be exempt from payment of 100% of the water service charge, unless said entity, either as lessee or lessor, shall enter into an agreement for the payment of rates by the other party.

(4) All property owned or leased or occupied by the City Colleges of Chicago shall be exempt from payment of 100% of the water service charge, unless said entity, either as lessee or lessor, shall enter into an agreement for the payment of rates by the other party.

(5) Hospitals located within the corporate limits of the City that are operated by the Cook County government shall be exempt from payment of 100% of the water service charge.

(6) Except as otherwise provided in paragraph (5) of this subsection (a), not-for-profit disproportionate share hospitals located within the corporate limits of the City shall be exempt from payment of 60% of the water service charge in 2012, 40% of the water service charge in 2013, and at least 25% of the water service charge in 2014 and thereafter, if such not-for-profit hospital qualifies for a disproportionate share adjustment consistent with Section 148.120 of Subchapter d of Chapter I of Title 89 of the Illinois Administrative Code, as amended, codified at 89 Ill. Adm. Code § 148.120. Provided, however, that in 2014 and thereafter, if such disproportionate share hospital has net assets or fund balances of:

(i) Less than One Million Dollars (\$1,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such disproportionate share hospital shall be exempt from payment of 100% of the water service charge:

(ii) One Million Dollars (\$1,000,000.00) or more but less than Ten Million Dollars (\$10,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service

charge is being claimed, such disproportionate share hospital shall be exempt from payment of 60% of the water service charge.

(7) Public museums shall be exempt from payment of 20% of the water service charge, if such public museum is eligible to receive funds for capital development under subdivision (7) of § 1-25 of the Department of Natural Resources Act, as amended, codified at 20 ILCS 801/1-1 et seq.

(8) Not-for-profit organizations as defined in subparagraph (8)(v) of this subsection (a), other than any entity identified in paragraphs (1) through (7) of this subsection (a), that adopt a water conservation plan and perform within the corporate limits of the city charitable work benefiting the public shall be exempt in 2013 and thereafter from payment of the water service charge for water supplied to premises owned and used and occupied exclusively by such not-for-profit organization, as follows:

(i) If the not-for-profit organization has net assets or fund balances of less than One Million Dollars (\$1,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 100% of the water service charge;

(ii) If the not-for-profit organization has net assets or fund balances of One Million Dollars (\$1,000,000.00) or more but less than Ten Million Dollars (\$10,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 60% of the water service charge;

(iii) If the not-for-profit organization has net assets or fund balances of Ten Million Dollars (\$10,000,000.00) or more but less than Two Hundred Fifty Million Dollars (\$250,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 25% of such water service charge;

(iv) If the not-for-profit organization has net assets or fund balances of Two Hundred Fifty Million Dollars (\$250,000,000.00) or more at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be not be* entitled to any exemption from payment of the water service charge and shall be required to pay 100% of the water service charge.

(v) As used in this paragraph (8), the term “not-for-profit organization” means an Illinois corporation organized and existing under the General Not For Profit Corporation Act of 1986 in good standing with the State and having been granted status as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986.

(b) (1) The supply to all premises enumerated in this section on which water may

be taken from the waterworks system of the City of Chicago shall be controlled by meter, and the cost of meter, its installation, connections and vaults thereof, and the erection, construction and maintenance thereof shall be paid for and be borne by the institution or owner thereof. Nothing contained in this paragraph shall be held to exempt property of the United States, of the State of Illinois, or of any of its political subdivisions except as hereinbefore mentioned.

(2) If, at the determination of the City, a vault is required to be built on the public right of way prior to the installation of a water meter at a location owned by a not-for-profit organization as defined in subparagraph (8)(v) of subsection (a) of this section, and such not-for-profit organization demonstrates to the satisfaction of the comptroller that the organization will suffer undue financial hardship if the organization is required to pay the costs associated with installing the vault and water meter, including any additional costs that may be incurred by the City in connection with the excavation of the associated structure, the comptroller may enter into a written installment plan agreement with such not-for-profit organization allowing the organization to pay such costs over an extended period of time in substantially equal installments. Failure to comply with the terms of the installment plan agreement may result, if applicable, in loss of the not-for-profit organization's exemption under paragraph (8) of subsection (a) of this section from payment of the water service charge.

Each installment plan shall be in a form prescribed by the comptroller, and shall state the organization's total indebtedness to the City for such costs, the amount of the initial installment, the amount of each subsequent installment, the date by which each installment is due, the penalty for delinquency under the installment plan, and such other provisions as the comptroller may require. Provided, however, that the comptroller may deny any application where it is determined that the applicant has committed fraud or has failed to make a good faith effort to comply with this section. Any recommendation, action or decision of the comptroller regarding the existence of financial hardship or the financial hardship process shall be within the sole discretion of the comptroller. Nothing in this subsection (b)(2) shall be construed to prohibit a not-for-profit organization from voluntarily making an initial minimum payment or monthly installment payment in an amount greater than provided in the installment plan agreement.

As used in this subsection (b)(2), the term "comptroller" means the comptroller of the City of Chicago or the comptroller's designee.

(c) The comptroller may fix such reasonable amounts of water as the comptroller, following consultation with the commissioner of water management, may deem to be sufficient for the requirements of said premises, and the exemption from payment of water rates shall be limited to said reasonable amounts so fixed. All use of water in excess of said reasonable amounts shall be paid for at the rates for metered water hereinafter fixed in Section 11-12-310.

(d) Accounts against the property of any entity exempted under the provisions of items (1), (2), (3), (4), (5), (6), (7) or (8) of subsection (a) of this section shall be kept in the usual manner. Upon receipt of the initial application for such exemption, such

account, which shall be metered, shall be inspected by authorized personnel from the department of water management, who shall certify to the comptroller whether the entity so inspected is eligible for the exemption under this section being claimed by such entity.

148. In all, over 6800 water accounts receive partial or total Exemptions from the payment of Water Charges. *See* Exhibit 5 hereto. The partial or total Exemptions are not based on a consideration of such factors as differences in the amount of the product used, the time when used, the purpose for which used, or any other relevant factors reflecting a difference in costs to serve the Exempt Customers and the Non-Exempt Customers. *Austin View Civic Ass'n v City of Palos Hts*, 85 Ill App 3d 89; 40 Ill Dec 164; 405 NE2d 1256 (1980).

149. First, the treated water provided to the Exempt Customers is of the same quality as the treated water provided to non-Exempt Customers. Thus, the Exemptions from Water Charges cannot be justified on the grounds that the treated water supplied to Exempt Customers is less valuable or of a lower quality than the treated water provided to non-Exempt Customers.

150. Similarly, the operations, maintenance and capital expenses incurred by the City to supply a gallon of water are the same for all water customers. The City's financial statements for its Water Fund identify the following types of operating and maintenance expenses: (1) "Source of Supply," (2) "Power and Pumping," (3) "Purification," (4) "Transmission and Distribution," (5) "Customer Accounting and Collection," (6) "Administrative and General," (7) "Central Services and General Fund Reimbursements," and (8) "Pension expense." *See* Exhibit 17 hereto.

151. The City's Source of Supply expenses on a per gallon basis are the same for Exempt and Non-Exempt Water Customers.

152. The City's Power and Pumping expenses on a per gallon basis are the same for Exempt and Non-Exempt Water Customers.

153. The City's Purification expenses on a per gallon basis are the same for Exempt and Non-Exempt Water Customers.

154. The City's Transmission and Distribution expenses on a per gallon basis are the same for Exempt and Non-Exempt Water Customers.

155. The City's Customer Accounting and Collection expenses on a per gallon basis are the same for Exempt and Non-Exempt Water Customers.

156. The City's Administrative and General expenses on a per gallon basis are the same for Exempt and Non-Exempt Water Customers.

157. The City's Central Services and General Fund Reimbursement expenses on a per gallon basis are the same for Exempt and Non-Exempt Water Customers.

158. The capital costs associated with the City's Water System on a per gallon basis are the same for Exempt and Non-Exempt Water Customers.

159. The monetary value of the Exemptions from Water Charges is enormous. In 2017, the Exempt Properties received partial or total Exemptions from Water Charges in the total amount of \$19,789,872.91. In 2018, the Exempt Properties received partial or total Exemptions from Water Charges in the amount of \$19,141,084.44. In 2019, the Exempt Properties received partial or total Exemptions from Water Charges in the amount of \$19,096,680.69. In 2020, the Exempt Properties received partial or total Exemptions from Water Charges in the total amount of \$15,665,355.84. In 2021, the Exempt Properties received partial or total Exemptions from Water Charges in the total amount of \$20,188,266.78. The total monetary value of the Exemptions from Water Charges between January 1, 2017 and December 31, 2021 exceeds \$93 million. *See* Exhibit 5 hereto.

160. Section 3-12-020 of the Ordinance further exempts the Exempt Customers (fully or partially) from payment of Sewer Charges. *See* Exhibit 4 hereto. The total monetary value of all of

these Exemptions between January 1, 2017 and December 31, 2021 exceeds \$40 million. *See* Exhibit 5 hereto.

161. Finally, Section 3-12-050 totally exempts qualified sewer customers 65 and over from payment of the Sewer Charges (the “Senior Sewer Exemption”). *See* Exhibit 4 hereto. In order to receive the Senior Sewer Exemption, a person must (1) be 65 years of age or older, (2) be the owner of the residential unit receiving sewer service, (3) occupy the residence as his or her principal place of residence and (4) have a residence with a separate water meter or assessed account. *Id.*

162. The Senior Sewer Exemption is in no way based on financial need – *i.e.*, wealth or income. In fact, it requires that the person claiming the exemption OWN the residence receiving sewer service and also use it as their principal residence. This means they are a homeowner (and not a renter), which is a further indication that they are not indigent. This also leads to the nonsensical result that an 85-year old renter must pay for sewer services but a 65-year old homeowner is Exempt from the obligation to pay for those same services.

163. Persons who receive the Senior Sewer Exemption are included within the definition of “Exempt Customers” herein.

164. Over 62,000 sewer customers of the City receive the Senior Sewer Exemption. Between January 1, 2017 and December 31, 2021, the monetary value of the Senior Sewer Exemption has exceeded \$110 million. *See* Exhibit 5 hereto.

165. Like the Exemptions for Water Charges, the partial or total Exemptions for Sewer Charges (including for customers who receive the Senior Sewer Exemption) are not based upon any differences in costs to serve the Exempt Customers and the Non-Exempt Customers. *Austin View Civic Ass’n v City of Palos Hts*, 85 Ill App 3d 89; 40 Ill Dec 164; 405 NE2d 1256 (1980).

166. First, the assumed characteristics of the sewage generated by Exempt Customers is the same as the assumed characteristics of the sewage generated by Non-Exempt Customers. Thus, the Exemptions cannot be justified on the grounds that sewage generated by Non-Exempt Customers is more costly to collect, convey or treat. This is particularly true because the City incurs no treatment costs for the sewage that originates in the City. All the City's sewage is ultimately conveyed to the Metropolitan Water Reclamation District of Greater Chicago (the "MWRD"), a public utility not affiliated with the City, which provides the treatment. The MWRD treatment costs for the inhabitants of Chicago (including Plaintiff and the Class) are not included in the City's Sewer Rates but are instead financed through separate property taxes.

167. The City's Sewer Fund incurs only the costs associated with collecting and conveying the sewage to the MWRD and operating, maintaining and improving the physical infrastructure (sewer pipes, etc.) that are used to collect and convey the sewage from structures in the City to the MWRD.

168. The operations, maintenance and capital expenses incurred by the City to dispose of a gallon of sewage are the same for all customers. The City's financial statements for the Sewer Fund set forth the following types of operating and maintenance expenses: (1) "Repairs," (2) "General Fund Reimbursements," (3) "Pension Expense," (4) "Maintenance," (5) "Engineering," and (6) "Administrative and General." *See* Exhibit 18 hereto.

169. The City's Repair expenses on a per gallon basis are the same for Exempt and Non-Exempt Sewer Customers.

170. The City's General Fund Reimbursement expenses on a per gallon basis are the same for Exempt and Non-Exempt Sewer Customers.

171. The City's Pension Expense on a per gallon basis are the same for Exempt and Non-Exempt Sewer Customers.

172. The City's Maintenance expenses on a per gallon basis are the same for Exempt and Non-Exempt Sewer Customers.

173. The City's Engineering expenses on a per gallon basis are the same for Exempt and Non-Exempt Sewer Customers.

174. The City's Administrative and General expenses on a per gallon basis are the same for Exempt and Non-Exempt Sewer Customers.

175. The capital costs associated with the City's Sewer System on a per gallon basis are the same for Exempt and Non-Exempt Sewer Customers.

176. The total monetary value of all of the Exemptions for the time period from January 1, 2017 through December 31, 2021 exceeds \$250 million. Obviously, the harm to Plaintiff and the Class from the unlawful Exemptions has continued after December 31, 2021, and will continue until the Court prohibits the City from granting these illegal Exemptions.

177. The payment Exemptions provided by the City's Ordinances are arbitrary and capricious. and in no way is the difference in Water and Sewer Rates and Charges reasonably related to any difference in the cost of providing service to the Exempt Customers. In all material respects, the Exempt Customers are similarly-situated to the non-exempt customers.

178. The Exemptions are not based on a consideration of such factors as differences in the quality or amount of the product used, the time when used, the purpose for which used, or any other relevant factors reflecting a difference in costs. Because the difference in rates created by the Exemptions is not reasonably related to a difference in the costs of providing the service, there is unreasonable discrimination.

179. "When it comes to the extent of plaintiffs' protection under their common law right, our supreme court has noted that consumers of municipally owned utilities 'are just as completely

protected from exorbitant rates and unjust discrimination as the consumers are under the Public Utilities Act' [Ill. Rev. Stat. 1977, ch. 111 2/3, par. 1 *et seq.*]. (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 252-53, 126 N.E. 739, 746). Thus, the test to be applied in determining whether there has been a violation of plaintiffs' common law right is **the same test** used to determine whether a privately owned utility company is acting in an unreasonably discriminatory manner in violation of the Public Utilities Act when it charges different rates to different consumers." *Austin View Civic Ass'n v City of Palos Hts*, 85 Ill App 3d 89, 94-95; 40 Ill Dec 164; 405 NE2d 1256 (1980) (emphasis added).

180. Section 9-241 of the Public Utility Act provides:

No public utility shall, as to rates or other charges, services, facilities or in other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage.

No public utility shall establish or maintain any unreasonable difference as to rates or other charges, services, facilities, or in any other respect, either as between localities or as between classes of service. [220 ILCS 5/9-241 (emphasis added)]

181. In *Mountain States Legal Foundation v. Public Utilities Commission*, 197 Colo. 56, 590 P.2d 495 (Colo. 1979) (Exhibit 6 hereto), the Colorado Supreme Court, interpreting a nearly identical provision of the Colorado Public Utilities Act,³ held that the Colorado Public Utilities Commission engaged in unlawful rate discrimination by requiring certain utilities to provide discounted rates to low-income elderly and disabled customers of the utilities:

³ The Colorado statute, Section 40-3-106(1), C.R.S. 1973, stated: "Advantages prohibited - graduated schedules. (1) No public utility, as to rates, charges, service, or facilities, or in any other respect, shall make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates, charges, service, facilities, or in any respect, either between localities or as between any class of service. The commission has the power to determine any question of fact arising under this section."

Section 40-3-106(1), C.R.S. 1973, prohibits public utilities from granting preferential rates to any person, and section 40-3-102, C.R.S. 1973, requires the PUC to prevent unjust discriminatory rates. **When the PUC ordered the utility companies to provide a lower rate to selected customers unrelated to the cost or type of the service provided, it violated section 40-3-106(1)'s prohibition against preferential rates. In this instance, the discount rate benefits an unquestionably deserving group, the low-income elderly and the low-income disabled. This, unfortunately, does not make the rate less preferential.** To find otherwise would empower the PUC, an appointed, non-elected body, to create a special rate for any group it determined to be deserving. The legislature clearly provided against such discretionary power when it prohibited public utilities from granting "any preference." In addition, section 40- 3-102, C.R.S. 1973, directs the PUC to prevent unjust discriminatory rates. Establishing a discount gas rate plan which differentiates between economically needy individuals who receive the same service is unjustly discriminatory. [197 Colo. at 59-60 (emphasis added).]

182. By arbitrarily exempting the Exempt Customers from payment of the Water and Sewer Charges, the City has established unfair preferences and therefore has unjustly discriminated against Plaintiff and the Class in violation of the City's common law obligations.

183. Plaintiff and the Class have been harmed by the illegal discrimination because they have necessarily paid higher Water and Sewer Charges by being forced to subsidize the system costs associated with the Exempt Customers.

184. The excessiveness of the City's charges to Plaintiff and the class—*i.e.*, the disfavored customers—is proven by the example the City itself provides at pp. 10-11 of its Motion to Dismiss (filed on July 21, 2022), which illustrates the unlawful subsidy almost perfectly. The City posits a water utility with annual costs of \$100,000 and 100 residents, each of whom uses the same amount of water. Absent any exemptions, each of the 100 residents would pay \$1000 for their water. If, however, as the City further posits, 20 of the 100 residents were exempt, "each of the 80 non-exempt residents would have to pay \$1,250 a year in order to cover the department's costs." City Motion at pp. 10-11. While the implications of its example appear to be lost on the City, the example shows that, in the absence of the unfair discrimination each customer would pay \$1000, but because of the unfair

discrimination, the 80 disfavored customers must pay \$1250 to cover the costs of providing water to the 20 exempt customers. The additional \$250 is thus excessive because that amount does not pay for the water provided to the disfavored customer but instead pays for the water provided to the exempt customers.

185. At the end of the day, it is just math. Given a certain Revenue Requirement for, say, the Water Fund, the fewer customers who must finance the Revenue Requirement, the more those customers must pay.

186. A claim to recover amounts paid to a governmental unit in excess of the amount allowed under law is properly filed as an equitable action.

187. The right to “reparations” under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal R.R. Association v. Public Utilities Com.* (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate.** (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E. 739, *aff'd* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

188. By virtue of the City’s unfair discrimination, the City has collected amounts in excess of the amounts it was legally entitled to collect. Therefore, Plaintiff is entitled to maintain an equitable action to recover back the amount of the illegal exaction.

189. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars from Plaintiff and the Class to which it is not entitled. By paying the Water and Sewer Rates and Charges, Plaintiff and the Class have conferred a benefit upon on the City.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who/which have received water and/or sewer service in the City of Chicago, who/which have incurred or paid Water and/or Sewer Rates and Charges at any time on or after September 9, 2016 and who/which incur or pay the Water and/or Sewer Rates and Charges during the pendency of this action, but not including any Exempt Customer.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water and Sewer Rates and Charges imposed or collected at any time on or after September 9, 2016 and during the pendency of this action in excess of a lawful amount, refund all Water and Sewer Rates and Charges it has collected in excess of a lawful amount to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Charges to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from unfairly discriminating against Plaintiff and the Class in the future and enjoin the City from exempting any system users from the obligation to pay for water and/or sewer services;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

COUNT X
UNJUST ENRICHMENT – UNFAIR DISCRIMINATION IN RATES AND CHARGES

WATER AND SEWER RATES AND CHARGES

190. Plaintiff incorporates each of the preceding paragraphs 1 through 43 and 142 through 189, inclusive, as if fully set forth herein.

191. The City has been unjustly enriched because it received Water and Sewer Rate and Charge revenues from Plaintiff and the Class to which it was not entitled, and it would be unfair for the City to retain the Water and Sewer Charges under the circumstances.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who/which have received water and/or sewer service in the City of Chicago, who/which have incurred or paid Water and/or Sewer Rates and Charges at any time on or after September 9, 2016 and who/which incur or pay the Water and/or Sewer Rates and Charges during the pendency of this action, but not including any Exempt Customer.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Water and Sewer Rates and Charges imposed or collected at any time on or after September 9, 2016 and during the pendency of this action in excess of a lawful amount, refund all Water and Sewer Rates and Charges it has collected in excess of a lawful amount to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Charges to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Permanently enjoin the City from unfairly discriminating against Plaintiff and the Class in the future and enjoin the City from exempting any system users from the obligation to pay for water and/or sewer services;

F. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

G. Grant any other appropriate relief.

COUNT XI
CLAIM FOR REPARATIONS – UNREASONABLE WATER AND SEWER RATES

EXORBITANT RATES

192. Plaintiff incorporates each of the preceding paragraphs 1 through 43 and 142 through 189, inclusive, as if fully set forth herein.

193. A municipality, such as the City, which sells water and sewer service, does so in a proprietary rather than in a governmental capacity. The business of supplying water belongs to that class of enterprises upon which the public interest is impressed. The City is subject to the same rules

that would apply to a privately owned utility including those forbidding unreasonableness and discrimination in utility rates.

194. Under Illinois common law, Water and Sewer Rates must be reasonable and all charges imposed must relate to the actual use of the water and sewer system. *See e.g. Village of Niles v. City of Chicago*, 82 Ill App 3d 60, 68; 37 Ill Dec 142; 401 NE2d 1235 (1980); *Austin View Civic Ass'n v City of Palos Hts*, 85 Ill App 3d 89, 94-95; 40 Ill Dec 164; 405 NE2d 1256 (1980).

195. The City's Water and Sewer Rates have been unreasonable because (1) the City fraudulently allocates the alleged indirect costs of other City departments to its Water and Sewer Fund, recovers those phantom expenses through Water and Sewer Rates and then transfers those monies to other City funds to be used for purposes unrelated to the water and sewer system (the "Excessive Cost Allocations"), (2) the City overcharges the Water Fund and Sewer Fund tens of millions of additional dollars per year, purportedly to cover the Water Fund's and the Sewer Fund's proportionate share of the City's total annual contribution to the Municipal Employees' Annuity and Benefit Fund (the "Municipal Employees' Fund") and the Laborers' and Retirement Board Annuity and Benefit Fund (the "Laborers' Fund") which overcharges are also incorporated into the Water and Sewer Rates (the "Pension Overcharges"), and (3) even after transferring hundreds of millions of ratepayer dollars to other City funds through the Excessive Cost Allocations and Pension Overcharges, the City's Water and Sewer Funds still have accumulated excessive reserves, far beyond those the City concedes are necessary to support its water and sewer systems (the "Gross Overcharges").

THE EXCESSIVE COST ALLOCATIONS

196. For example, the City included \$69,335,000.00 in its 2022 Water Fund budget "to reimburse the Corporate Fund for Indirect Costs Chargeable to the Fund." *See* Exhibit 7 hereto. Similarly, the City included \$37,658,000.00 in its 2022 Sewer Fund budget "to reimburse the Corporate

Fund for Indirect Costs Chargeable to the Fund. *See* Exhibit 8 hereto. The City's Water and Sewer Funds transfer money to the City's Corporate Fund annually to cover the allocations of purported indirect costs. In addition to the transfers "to reimburse the Corporate Fund for indirect costs chargeable" to the Water and Sewer Funds, the City also allocates tens of millions of dollars of "direct" expense of other City departments to the Water and Sewer Funds. *See* Exhibit 14 hereto (showing "direct" allocations of over \$62 million to the City's Water Fund for 2022 and "direct" allocations of over \$12 million to the City's Sewer Fund for 2022).

197. On a periodic basis, the City engages an outside consultant, Maximus, to prepare a "cost allocation plan." The purpose of a cost allocation plan is distribute the so-called "indirect" costs of "central services" departments to other City funds and departments which benefit from goods or services provided by the "central services" departments. Central services are those administrative units that mainly provide service to other government departments and not to the general public. Examples include finance, treasury, human resources, information technology and building maintenance.

198. Maximus prepared a Central Services Cost Allocation study (which was completed in 2022 but covered the year 2020). Maximus determined that, at most, the City may properly allocate \$21,709,348 in indirect "central services" costs (as opposed to the \$69 million the City actually allocated) to the Water Fund and may only allocate \$1,509,684 in indirect "central services" costs (as opposed to the \$37 million the City actually allocated) to the Sewer Fund. *See* Exhibit 9 hereto. Thus, for **just 2022**, the City has allocated over \$47 million in phantom "indirect costs" to the Water Fund and has further allocated over \$36 million in phantom "indirect costs" to the Sewer Fund. There are similar phantom cost allocations in prior years.

199. Collectively, the Excessive Cost Allocations to the Water and Sewer Funds for 2017 through 2023 that were funded by the Rates and Charges imposed just upon water and sewer customers in the City (including Plaintiff and the Class) exceed \$400 million.

200. It potentially can be appropriate to charge and recover from the Water and Sewer Funds the so-called “indirect” costs of “central services” departments which provide goods and services to the Water and Sewer Funds. Central services are those administrative units that mainly provide service to other government departments and not to the general public. Examples include finance, treasury, human resources, information technology and building maintenance. The problem is that the City’s transfers are grossly excessive because they do not reflect the proper “indirect” costs that should be attributable to the Water and Sewer Funds.

201. The City’s allocation of phantom “indirect expenses” violates well-established principles of water and sewer utility rate-making. The “[American Water Works Association’s] policy statement on Financing, Accounting and Rates states that **‘Water and wastewater utility funds should not be diverted to uses unrelated to water and wastewater utility services.** Reasonable taxes, payments in lieu of taxes, and/or payments for services rendered to the water utility by a local government or other divisions of the owning entity may be included in the utility’s revenue requirements after taking into account the contribution for fire protection and other services furnished by the utility to the local government or to other divisions of the owning entity’ (AWWA 2015).” [AWWA Manual of Water Supply Practices M1 (Seventh Ed) (the “M1 Manual”) at p. 13 (emphasis added)]]

202. “Accordingly, payments made to a municipality’s general fund should reimburse the general fund for the **necessary cost** of goods and/or services required by the water utility to provide water service.” *Id.* (emphasis added).

203. The City admitted that the “**M1 Manual is considered to be the industry standard for setting water rates by public water suppliers nationally** and is used by peer entities such as Great Lakes Water Authority, Metropolitan Water District of Southern California, the City of Houston, the City of Philadelphia, San Francisco Public Utilities Commission, and San Diego County Water Authority.” *See* Exhibit 14 at p. 42 (emphasis added). The City stated:

AWWA provides transparency to customers; cost of service requires detailed accounting of components of the system and allocates cost of service to each customer. *See* Exhibit 15 hereto at p. 23 (City’s “Financial Update” dated April 23, 2023) (emphasis in original).

204. Notwithstanding the City’s admissions, the City has never conducted a true cost-of-service study for its Water or Sewer Systems, much less utilized the M1 Manual or implemented rates and charges that were consistent with the methodology set forth in the M1 Manual. Stated simply, the City has never even attempted to devise Water and Sewer Rates that comply with the “industry standard.”

205. A major reason the City’s cost allocations are excessive is because the City allocates tens of millions of dollars of the expenses of its Police and Fire Departments to the Water and Sewer Fund each year. The methodology used to derive the cost allocations is set forth in certain Full Cost Allocation Plans authored by Maximus, which are separate from the Central Services Cost Allocation Plans. The Cost Allocation Plans have historically been based on the City’s actual financial results and then used to compile future budgets. For example, the Cost Allocation Plans the City used for its 2022 Budget were prepared by Maximus in 2021 based upon the City’s results for 2019. *See* Exhibit 19 hereto. The City applies an inflation factor to the prior years’ numbers in order to reflect presumed increases in costs in later years. The City annually transfers the amounts that Maximus determines are allocable to the Water and Sewer Funds.

206. Maximus allocates the police and fire costs to the Water and Sewer Fund based upon the “Plant Value” of the City’s water and sewer infrastructure assets as a percentage of the City’s “full property value.” Using this methodology, the City allocates 1.2608% of certain Police and fire expenses to the Water Fund and 0.9412% of certain Police and Fire expenses to the Sewer Fund. For 2020, the City allocated \$35.8 million of police expenses and \$26.7 million of fire department expenses to the Water Fund, and further allocated \$14.1 million of police expenses and \$10.5 million in fire expenses to the Sewer Funds. *See* Exhibit 20 hereto at p. C-739. All or substantially all of these amounts – over \$87 million – were included in the Water and Sewer Rates, and the revenues derived were actually transferred from the Water and Sewer Funds to the City’s Corporate Fund. Because these funds were not restricted, or even earmarked, the City was able to use the monies for general municipal purposes.

207. The City’s allocation of police and fire expenses to the Water Fund and the Sewer Fund is illegal and improper for the following reasons.

208. First and foremost, the allocation of **any** police and fire expense to the Water and Sewer Funds is arbitrary and capricious because it is improper ratemaking to allocate the costs of funds or departments which serve the general public to enterprise funds. Maximus itself has recognized this. In a presentation it authored, Maximus included in “unallowed costs,” the “General Costs of Government,” which are the “costs of other general types of government services normally provided to the general public, **such as fire and police**, unless provided for as a direct cost under a program statute or regulation.” *See* Exhibit 21 hereto.

209. In addition, the City already directly allocates over \$1 million of police expenses annually to the Water Fund. *See* Exhibit 22 hereto (excerpts from City’s 2023 Water Fund budget) at p. 279. This amount – determined by the City – presumably reflects the fair value of the services

provided by the Police Department to the Water Fund. As Maximus has stated (Exhibit 20 at p. A-4), directly-paid costs must be credited in the cost allocation methodology, but the City does not do so.

210. It is also arbitrary and capricious for the City to create non-existent departments – *i.e.*, “Police General” and “Fire General,”— pack those departments with billions of dollars of police and fire expenses, and then allocate a percentage of those costs to only the Water and Sewer Funds. Maximus states that the purpose of the Full Costs Allocation Plan is to allocate the costs of “central services departments” to other departments (*see* Exhibit 20 at p. A-4), but the Police Department and the Fire Department are in no sense “central services departments” providing indirect services to the Water and Sewer Fund.

211. Second, assuming that the allocation of **some** police and fire expense to the Water and Sewer Funds is appropriate, the City’s methodology for allocating those costs is arbitrary and capricious because it does not result in a fair allocation to Water and Sewer. This is true for at least two reasons: (1) the methodology uses a nonsensical assumption about asset values to allocate police and fire expenses to the Water and Sewer Funds and (2) the alleged police and fire expenses allocated to the Water and Sewer Fund are grossly inflated.

212. Initially, the Maximus methodology uses the total water and sewer “plant value” as a percentage of the total value of all real property in the City. *See* Exhibit 20 at p. C-647. But that is a nonsensical methodology because the purpose of cost allocation is to allocate the costs in reasonable proportion to each benefitted fund’s actual use of the service. Maximus states that the allocations should be made using “a statistical measure that is relevant to the service provided and the benefit received.” 2020 Maximus Report (Exhibit 20 hereto) at p. A-4. *See also Id.* (“Consideration is given to determining the measurement that most appropriately demonstrates its relationship to the receiving

units”). The City’s allocation of police and fire expenses to the Water and Sewer Funds has no connection to any service provided or benefit received by those Funds. There is no basis to believe that the Water and Sewer Funds “use” \$60 million worth of police services and \$35 million of fire services every year. In comparison, the City has over 200 full-time police officers dedicated to O’Hare Airport, yet the City charges the Water and Sewer Funds more than the City charges O’Hare for police “services.”

213. Further, assuming that the allocation of **some** police and fire expense to the Water and Sewer Funds is appropriate, the City’s methodology for allocating those costs is arbitrary and capricious for several reasons.

214. First, the City uses inflated budget numbers for both the Police and Fire Departments in allocating a percentage of each budget to the Water and Sewer Funds. For example, the Maximus cost allocation plan for 2020 allocates a portion of purported expenses the City characterizes as “Police General” to the Water Fund. The City allocates 1.2608 percent of the “Police General” expenses to the Water Fund. Thus, the higher the total “Police General” expenses, the higher the allocation of those expenses to the Water Fund. The City, through Maximus, allocates expenses from the following City departments in the following amounts:

“Emerg Mngmt & Comm 58” -- \$49,198,070

“Police-Administration” -- \$11,718,431

“Police-Patrol Svcs” -- \$2,259,378,103

“Police-Detectives” -- \$369,540,082

“Police-Organized Crime” -- \$151,844,462

Total -- **\$2,841,679,148** [Exhibit 20 hereto at p. C-645]

215. The City thus allocates \$2.84 billion in purported annual Police Department costs to “Police General.”

216. The City’s financial statements for 2020, however, paint a very different picture.

217. According to Maximus’ own cost allocation plan, based on the City’s financial statements, here are the City’s corresponding actual costs for these same departments for 2020:

“Emerg Mngmt & Comm 58” -- \$18,380,435

“Police-Administration” -- \$6,841,906

“Police-Patrol Svcs” -- \$963,020,697

“Police-Detectives” -- \$197,959,979

“Police-Organized Crime” -- \$76,061,244

Total -- \$1,262,264,000

218. The total costs the City stuffs into its fictitious “Police General” department are grossly inflated because (1) the City includes hundreds of millions of annual pension fund contributions in the expenses; and (2) the City “double-dips” by including certain police expenses twice in the calculation. The inclusion of pension fund contributions in the calculation is improper because the City already funds those contributions through dedicated tax revenues and through direct contributions from other funds, including the O’Hare Airport Fund and the Midway Airport Fund. The inclusion of the same expenses twice has the effect of charging Water and Sewer customers twice to recover the same purported cost, further increasing the overcharge.

219. Further, the types of police-related costs the City includes in its allocations to the Water Fund are on their face ridiculous and unfounded. For example, the City charges Water and Sewer customers over \$3.3 million per year to pay the costs of the Police Department’s Organized Crime Division (2.2% of \$151,844,462)—a charge that is completely untethered to reality unless the

mafia had somehow infiltrated the City's water and sewer system, and this infiltration somehow necessitated the dedication of the resources of this division. But clearly, the City's Water and Sewer Department has had no need for the investigative services of the City's Organized Crime Division.

220. The City imposes similar overcharges based upon fictitious and duplicative "Fire General" charges.

221. In addition to the improper "indirect" cost allocations, the City also fraudulently inflates the cost allocations by **directly** charging portions of the budgets of other departments to the Water and Sewer Funds. These allocations ostensibly are intended to reflect direct services provided by those other departments to the Water and Sewer Funds. But these direct allocations, like the indirect allocations, are grossly inflated because they do not reflect the fair value of any services provided by those departments to the Water and Sewer Funds.

222. For example, the City charges the Water and Sewer Funds over \$2 million per year to fund the activities of the City's Office of Inspector General ("OIG"), which has a total annual budget of approximately \$13 million. *See* Exhibit 22 hereto at pp. 8, 10 and 18. The Water and Sewer Funds thus pay 15% of the OIG's total budget.

223. The City states that the OIG's "mission is to promote economy, effectiveness, efficiency, and integrity in the administration of programs and operation of City government. OIG accomplishes its mission through investigations of allegations of misconduct, performance audits, evaluations and reviews, data analysis and visualization, and other inquiries."

224. The activities of the OIG have virtually nothing to do with the City's water and sewer operations, and that Office at most devotes a nearly-imperceptible fraction of its activities to the Water and Sewer Funds. Indeed, the OIG's most recent Quarterly Report identifies no inspections or investigations or any other type of activity relating to the Water or Sewer Fund. Nonetheless, the

City's Water and Sewer Customers annually pay for 19 full time OIG employees who allegedly are "dedicated" to the Water and Sewer Funds. This allocation is nonsensical on its face.

225. The City's over-allocation of the City's purported general fund expenses is fraudulent because it has no factual basis, grossly inflates the Water and Sewer Rates imposed upon Plaintiff and the Class, and as such, necessarily renders these Rates as arbitrary, capricious and unreasonable.

226. With respect to the Exorbitant Rate Claims, the City's own ordinances confirm that the City is precluded from imposing Water Rates to finance the general costs of government unrelated to providing water and sewer services. In this regard, City Ordinance Section 11-12-260 provides:

11-12-260 Annual statement – Rate establishment.

At the close of each fiscal year, the department of water management shall prepare a statement of the revenues and expenditures of the water system of the city and a balance sheet thereof. The department shall then prepare an ordinance, for submission to the city council, establishing the rates to be charged for water service in the following year. **The fees, charges, and rates established by said ordinance shall be sufficient in all times to pay the cost of operation and maintenance of the water system, to make principal and interest payments on any outstanding bonds, and to establish and maintain any reserve funds or accounts as may be covenanted for in bond ordinances authorizing the issuance of outstanding bonds.**

227. In *Ross v. Geneva*, 43 Ill. App. 3d 976, 357 N.E.2d 829 (1976), the Court held that a charge imposed on a municipal electric utility's customers to finance a parking garage was an unlawful exaction. The court described the nature of the contested charge as follows:

[T]he charge made of each commercial user is, with minor variations in the formula, directly linked to the amount of electricity used by the commercial customer. The narrow question presented by this case is, therefore, whether a municipally owned utility has the authority to charge its commercial electric customers a fee, based on their electrical consumption, to be used solely for city parking facilities.

228. In holding that the charge was illegal, the *Ross* court relied upon a state statute, which closely mirrored the City's Ordinance Section 11-12-260. The Court found that, because the statute

– like the City’s Ordinance here – required the municipality to use utility charges only for utility purposes, the city there could not finance the parking garage with utility charges. The Court stated:

The charging for services was formerly governed by section 49 -- 12 of the Revised Cities and Villages Act (Ill. Rev. Stat. 1959, ch. 24, par. 49 -- 12) which has been succeeded by section 11 -- 117 -- 2 of the Illinois Municipal Code (Ill. Rev. Stat. 1973, ch. 24, par. 11 -- 117 -- 12). Both sections contain the following language:

“The charges fixed for the product supplied or the service rendered by any municipality shall be sufficient at least to bear all costs of maintenance and operation, to meet interest charges on the bonds and certificates issued on account thereof, and to permit the accumulation of a surplus or sinking fund to meet all unpaid bonds or certificate at maturity.” (Emphasis added.)

We find no statutory authority whatever therein to charge fees for the creation of an isolated fund unrelated to the cost of the products supplied or the services rendered. The parking fund in this case is just such an unrelated, isolated fund. The trial court correctly found the ordinances purporting to create it void for want of statutory authority. [Emphasis added]

229. Plaintiff and the Class have been harmed by the City’s practice of grossly over-allocating indirect costs from the City’s general fund budgets to the Water and Sewer Funds. Initially, they have necessarily paid higher Water and Sewer Charges and have been forced to subsidize tens of millions of dollars of general fund expenses that should be paid for through general taxation revenues. The City’s practice has unjustly enriched the City at the expense of Plaintiff and the Class.

THE PENSION OVERCHARGE

230. Separate and apart from the wrongdoing described in the foregoing paragraphs, the City overcharges the Water Fund and Sewer Fund tens of millions of additional dollars per year, purportedly to cover the Water Fund’s and the Sewer Fund’s proportionate share of In the City’s total annual contribution to the Municipal Employees’ Annuity and Benefit Fund (the “Municipal Employees’ Fund”) and the Laborers’ and Retirement Board Annuity and Benefit Fund (the “Laborers’ Fund”). The Water and Sewer Fund annually transfer money to the Municipal Employees’

Fund and the Laborers' Fund to cover the required annual contributions set forth in the City's budgets, which budgeted contributions greatly exceed the amounts the Water and Sewer Funds should be contributing to the Funds. This "Pension Overcharge" to the Water and Sewer Funds, which is then incorporated into the Water and Sewer Rates, is wholly independent from and imposed in addition to the wrongful and inflated cost allocations described above. The Pension Overcharge is also wholly independent from and imposed in addition to the Water and Sewer Taxes, which also finance the City's contributions to the Municipal Employees' Fund.

231. Here, pension costs for the Municipal Employees' Fund and the Laborers' Fund are to be allocated based upon each department's percentage of the total "covered payroll" of all departments with employees in the Municipal Employee's Fund and the Laborers' Fund.

232. For example, the City's financial statements provide that the Water Fund's allocation to the City's net pension liability should be "determined based on the rates of Water Fund salaries within each corresponding pension plan to the total budgeted salaries for 2020 and 2019." *See* Exhibit 10 hereto.

233. As of December 31, 2020 and 2019, the Water Fund's proportion was 6.6% and 7.2% of the Municipal Employees plan, respectively. *See* Exhibit 10 hereto. These percentages are used to determine the Water Fund's percentage of the total City contribution to the Plan.

234. For 2022, the City's budget forecasts that the total contributions to the Municipal Employees Fund to be \$967,016,000. *See* Exhibit 11 hereto.

235. In 2022, the City allocated \$59,725,000 to the Water Fund (Exhibit 11) which represents approximately 6.2% of the **total** contributions and thus, seemingly approximates the appropriate Water Fund percentage.

236. However, the City's allocation is grossly excessive because it fails to consider that

almost \$500 Million of the \$967 Million of total annual contributions to the Municipal Employees Fund is contributed from taxes (including the Water and Sewer Taxes) and employee contributions. *See* Exhibit 11 hereto.

237. Here, specifically, only \$470 Million is being contributed by the City using its operating funds. Put another way, only \$470 Million is being contributed from the City itself from non-tax sources—and thus, the proper amount that should be allocated among the various City funds, including the Water Fund and the Sewer Fund, for contribution to the Municipal Employees Fund is \$470 Million.

238. When the appropriate amount of \$470 Million is used for the contribution calculation, the Water Fund's proportionate share of its contribution for 2022 is dramatically reduced. Indeed, the allocation to the Water Fund drops to just \$29,177,200, instead of \$59,725,000. This means that for 2022, the City's Pension Overcharge to the Water Fund exceeded \$30 Million.

239. Again, the pension costs are to be allocated based upon each City fund's percentage of the total "covered payroll" of all City funds with employees in the Municipal Employees' Fund. For 2020, the total "covered payroll" of all of the applicable City funds was \$1,861,905,000. *See* Exhibit 12 hereto. The total covered payroll of the Water Fund was \$123,184,000 or 6.6% of the total "covered payroll" of all applicable City funds. *Id.* Therefore, the Water Fund at most should have been allocated 6.6% of the total contribution to the Fund ***not covered by tax revenues*** – *i.e.*, 6.6% of \$470,600,000 or \$31,059,600.

240. The City's budget documents show that the City is over-allocating pension costs to enterprise and other funds (e.g., the Water Fund, Sewer Fund, Midway Fund, O'Hare Fund and the Emergency Communication Fund) in order to reduce the pension cost allocation to the City's Corporate Fund. The total covered payroll of the Corporate Fund and other funds not listed above

represents over 80% of the total covered payroll of all City funds with employees in the Municipal Employees' Fund. Again, the total covered payroll of the Water Fund is just 6.6% of the total. Yet, in 2020, the City allocated just \$49,773,000 of the pension costs for the Municipal Employees' Fund to the Corporate Fund, while it allocated \$36,954,000 of those costs to the Water Fund. *See* Exhibit 13 hereto.

241. The City's records show that since 2018, the Pension Overcharges for the Municipal Employees' Fund to just the Water Fund total over \$110 million. At least half of that amount was funded by Rates and Charges paid by water customers in the City (*i.e.*, Plaintiff and the Class).

242. The City also imposes additional overcharges to the Water Fund relating to the Laborers' Fund, because that Fund also is tax-supported and the City's allocations do not consider those tax revenues.

243. In addition, the City imposes similar Pension Overcharges to fund contributions to both the Municipal Employees' Plan and the Laborers' Plan by the Sewer Fund. *See* Exhibit 11 hereto. Finally, the City also includes tens of millions of dollars in unexplained "indirect" pension costs in the Water and Sewer Rates (*see* Exhibit 22 at pp. 279, 344), further increasing the amount of the Pension Overcharge. All of those Overcharges were funded by Rates and Charges paid by sewer customers in the City.

244. Inclusion of the Pension Overcharges (which are untethered to the actual cost of providing water and sewer service) in the Water and Sewer Rates necessarily renders these Rates arbitrary, capricious and unreasonable.

245. Plaintiff and the Class have been harmed by the City's practice of including the Pension Overcharges in the Water and Sewer Rates. Plaintiff and the Class have necessarily paid higher Water

and Sewer Charges and have been forced to over-subsidize the City's pension expenses. The City's practice has unjustly enriched the City at the expense of Plaintiff and the Class.

THE GROSS OVERCHARGES

246. Remarkably, even after its raid of the Water and Sewer Funds to finance the Excessive Allocations and Pension Overcharges, the City still has overcharged its Water and Sewer Customers by hundreds of millions of dollars during the Class Period, which have created cash reserves in the City's Water and Sewer Fund that are far beyond the reserves the City itself has determined are appropriate.

247. As of December 31, 2022, the City's Water Fund had over \$541 million in unrestricted cash and investments, after paying each and every expense associated with the Water Fund through that date. *See* Exhibit 17 at p. 18. This does not include an additional \$172 million of restricted cash and investments – *i.e.*, funds legally dedicated to specific purposes.

248. As of December 31, 2022, the City's Sewer Fund had over \$123 million in unrestricted cash and investments, after paying each and every expense associated with the Sewer Fund through that date. *See* Exhibit 18 at p. 18. This does not include an additional \$200 million of restricted cash and investments – *i.e.*, funds legally dedicated to specific purposes.

249. The City has adopted a reserve policy applicable to both the Water Fund and the Sewer Fund. Under the policy, the Water Fund and Sewer Fund are to maintain at least **270** days of “cash on hand” – *i.e.*, enough money to pay the expenses of the Water and Sewer Funds for 270 days without use of operating revenues. Notwithstanding the policy, the City told prospective bond holders in 2023 that it “calculates Water Fund Days' Cash on Hand as of December 31, 2021 to equal **497** days, and projects that Days' Cash on Hand for projection period will remain at comparable levels. *See* 14 hereto at p. 47 (emphasis added).

250. Similarly, the City told prospective bond holders in 2023 that it “calculates Sewer Fund Days’ Cash on Hand as of December 31, 2021 to equal 575 days, and projects that Days’ Cash on Hand for the projection period will remain at comparable levels.” *See* Exhibit 16 hereto at p. 36 (emphasis added).

251. These amounts are roughly twice the amount of reserves the City itself has determined the Water and Sewer Fund should maintain. The accumulation of these excessive reserves proves that the City has overcharged its Water and Sewer customers by imposing rates that generate revenues in far in excess of the City’s actual costs.

252. The City’s Excessive Allocations, Pension Overcharges and Gross Overcharges, when incorporated into the City’s Water and Sewer Rates, render these rates arbitrary, capricious, and unreasonable because the City’s rates include cost components that are untethered to the customer’s actual use of the water and sewer system.

253. Plaintiff and the Class have been harmed by the City’s Excessive Allocation and Pension Overcharge practice. Plaintiff and the Class have necessarily paid higher Water and Sewer Charges and have been forced to subsidize general fund expenses that should be paid for through general taxation revenues.

254. A claim to recover amounts paid to a governmental unit in excess of the amount allowed under law is properly filed as an equitable action in assumpsit for money had and received.

255. By virtue of the City’s Excessive Allocations of the indirect costs of the other City departments to the Water and Sewer Fund, the City has collected amounts in excess of the amounts it was legally entitled to collect. Therefore, Plaintiff is entitled to maintain an equitable action of assumpsit to recover back the amount of the illegal exaction.

256. The right to “reparations” under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal R.R. Association v. Public Utilities Com.* (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate.** (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E. 739, *aff'd* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

257. As a direct and proximate result of the City’s improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water and Sewer Rates and Charges, Plaintiff and the Class have conferred a benefit upon on the City.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who/which have received water and/or sewer service in the City of Chicago, who/which have incurred or paid Water and/or Sewer Rates and Charges at any time on or after September 9, 2016 and who/which incur or pay the Water and/or Sewer Rates and Charges during the pendency of this action, but not including any Exempt Customer.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Excessive Allocations and Pension Overcharges imposed or collected at any time on or after September 9, 2016 and during the pendency of this action in excess of a lawful amount, refund all Excessive Allocations and Pension Overcharges it has collected in excess of a lawful amount to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Charges to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

F. Grant any other appropriate relief.

COUNT XII
UNJUST ENRICHMENT – UNREASONABLE RATES AND CHARGES

EXORBITANT RATES

258. Plaintiff incorporates each of the preceding paragraphs 1 through 43, and 142 through 257 inclusive, as if fully set forth herein.

259. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars to which it is not entitled. By paying the Water and Sewer Rates and Charges, Plaintiff and the Class have conferred a benefit upon the City.

260. The right to "reparations" under these circumstances was recognized by the Court in *West v. City of Batavia*, 155 Ill. App. 3d 925, 508 N.E.2d 1124 (2d Dist. 1987):

We agree with plaintiff that a cause of action for reparations may lie against a municipally owned utility. **At common law, there existed a right to recover reparations for unreasonable charges by a utility or common carrier.** (*Terminal*

R.R. Association v. Public Utilities Com. (1922), 304 Ill. 312, 317, 136 N.E. 797; *Chicago, Burlington & Quincy R.R. Co. v. Jones* (1894), 149 Ill. 361, 374.) **This action was based upon the theory that the defendant had funds which in right and justice belonged to the plaintiff and which it ought to restore because it received the funds by charging a rate in excess of the lawful rate.** (*A.L. Jones Co. v. Chicago, Milwaukee & St. Paul Ry. Co.* (1919), 213 Ill. App. 283, 288.) Although the common law right to recover reparations from a public utility has been superseded by the Public Utilities Act ... that act was not intended to apply to municipally owned utilities (*Springfield Gas & Electric Co. v. City of Springfield* (1920), 292 Ill. 236, 240, 126 N.E. 739, *aff'd* (1921), 257 U.S. 66, 66 L. Ed. 131, 42 S. Ct. 24). **We conclude that a cause of action for reparations may lie against Batavia based upon the operation of its utility.** [155 Ill. App. 3d at 928 (emphasis added).]

261. The City has been unjustly enriched because it received Water and Sewer Rate and Charge revenues to which it was not entitled, and it would be unfair for the City to retain the Water and Sewer Charges under the circumstances.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the following:

A. Certify this action to be a proper class action with Plaintiff certified as Class Representatives and Kickham Hanley PLLC and Moskovic & Associates, Ltd. designated Class Counsel;

B. Define the Class to include all persons or entities who/which have received water and/or sewer service in the City of Chicago, who/which have incurred or paid Water and/or Sewer Rates and Charges at any time on or after September 9, 2016 and who/which incur or pay the Water and/or Sewer Rates and Charges during the pendency of this action, but not including any Exempt Customer.

C. Enter judgment in favor of Plaintiff and the Class and against the City, order and direct the City to disgorge all amounts attributable to the Excessive Allocations, Pension Overcharges and Gross Overcharges imposed or collected at any time on or after September 9, 2016 and during the pendency of this action in excess of a lawful amount, refund all Excessive Allocations, Pension

Overcharges and Gross Overcharges it has collected in excess of a lawful amount to Plaintiff and the Class, and to pay into a common fund for the benefit of Plaintiff and all other members of the Class the total amount of Water and Sewer Charges to which Plaintiff and the Class are entitled;

D. Appoint a Trustee to seize, manage and distribute in an orderly manner the common fund thus established;

E. Award Plaintiff and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and

F. Grant any other appropriate relief.

JURY DEMAND

Plaintiff demands a trial by jury on all issues so triable.

KICKHAM HANLEY PLLC

By: /s/Gregory D. Hanley

Counsel for Plaintiff
Gregory D. Hanley
Kickham Hanley PLLC
32121 Woodward Avenue, Suite 300
Royal Oak, MI 48073
E-mail: ghanley@kickhamhanley.com
Phone: (248) 544-1500
Attorney No. 65814

Co-Counsel for Plaintiff
Alex Moskovic
Moskovic & Associates, Ltd.
3233 N. Arlington Heights Road, Suite 303
Arlington Heights, IL 60004
E-mail: amoskovic@moskoviclaw.com
Phone: (847) 797-1300
Fax: (847) 797-1350
Attorney No. 45923

EXHIBIT 1

Drowning in debt

For years, Chicago leaders turned the city's water supply into a revenue stream. Now tens of thousands can't keep up with the rising costs.

LEER EN ESPAÑOL (ES.HTML)

By María Inés Zamudio (<https://www.wbez.org/staff/194/maria-ines-zamudio>)

Story edited by Alden Loury (<https://www.wbez.org/staff/205/alden-loury>), with Matt Kiefer (<https://www.wbez.org/staff/2547/matt-kiefer>)

Graphic design and layout by Mary Hall (<https://www.wbez.org/staff/1108/mary-hall>)

Photography by Manuel Martinez (<https://www.wbez.org/staff/198/manuel-martinez>)

Community engagement by Kat Nagasawa (<https://www.wbez.org/staff/261/katherine-nagasawa>)

Web interactive and data visualization by Charmaine Runes (<https://www.wbez.org/staff/2652/charmaine-runes>)

November 8, 2021

Carla Padgett works as an office assistant and owns a home on Chicago's South Side. She's one of tens of thousands currently struggling to keep up with water bills.

CHAPTER ONE

Chicago's water debt crisis



The toll of water bills on Chicago homeowners' debt
WBEZ News | 10m



This story is supported by the Pulitzer Center (<https://pulitzercenter.org/>).

A billing error turned Sylvia Taylor's life upside down.

The bureaucratic nightmare started when Taylor inherited her family's Englewood house. Taylor needed time to figure out whether her daughter would move in or if she'd rent it out. Taylor turned off the water in 2007 to avoid the pipes from bursting during the winter.

She went back to her life in Bronzeville and didn't think about the water again until the city sent her a notice more than a year later, alerting her that the water would be shut off. Attached was a bill for \$1,100.

Taylor was shocked.

Taylor said that she spoke with the city's water department and finance departments in hopes that they would clear the error. She was advised to register the two-flat house with the city as a vacant property — which comes with an initial fee up to \$600 plus an additional \$300 to renew every six months. Upset about the ordeal, Taylor refused to pay the fee. Years of fighting with the city went by.

Meanwhile, the city continued to charge Taylor for water she wasn't using — and fined her for a debt she didn't really owe. And the city couldn't provide an accounting of the water usage at the vacant, unmetered property — those properties are charged not for the actual amount of water used but for an estimated amount of water usage based on a property's size and its number of plumbing fixtures.

In 2015, Taylor requested the water department send an inspector to verify that the building was vacant. A water department employee wrote in the report "entire building vacant, water shutoff since 2007." However, the report went unnoticed for years.

Nearly 13 years after she turned off the water to her family home, the debt had ballooned to \$25,253.



In 2009, the city issued a statutory lien against Sylvia Taylor's vacant property. The Englewood home did not have running water for years after she inherited it, but the city kept charging her. "I thought I was being robbed," Taylor said. Manuel Martinez/WBEZ.

The city had filed a statutory lien against the property — a debt collection tactic that the city has used against people with long-standing water debt.

"If you're calling them and you're telling them you don't have any water ... but they charge you all these fees, it's really upsetting," Taylor said. "I thought I was being robbed, really robbed by the water department."

Taylor's case showcases a number of problems with Chicago's water debt — from the massive amounts owed by tens of thousands of residents who've failed to keep up with the rising cost of water over the past decade to the city's troubled billing system, punitive fees and aggressive collection tactics.

A monthslong WBEZ investigation revealed that:

- Chicago homeowners have racked up over \$421 million dollars in water debt. More than 60% of the debt is concentrated in the city's majority Black ZIP codes.
- The city's debt collection system has moved delinquent water bills into the hands of private debt collectors, with little transparency. At least \$60 million of the city's water revenue has gone to pay private debt collectors.
- Chicagoans have had millions of dollars in earnings garnished from their paychecks to help settle water debt and many others have faced judgments and statutory liens in an effort to collect water debt.
- An estimated \$775 million in water-sewer tax revenue was allocated to the city's municipal employees' pension fund, city budgets show. (<https://docs.google.com/spreadsheets/d/1-rTkGKzZiebWUNdSRv9y6ANLfHhrfHPBTtDnRT1XeO4/edit#gid=0>)

In a statement, a spokesman for Chicago Mayor Lori Lightfoot touted her administration's continued efforts to address water debt.

"Mayor Lightfoot has been focused on improving water affordability for lower-income residents from the beginning of her administration," wrote Cesar Rodriguez, Lightfoot's press secretary. "The passing of the historic 2022 budget will provide much-needed funding for disinvested neighborhoods, including funds for water reconnection and additional fines and fees reforms to help individuals get out of debt."

During the budget hearing process, the city made permanent a pilot program the Lightfoot administration launched last year to help low-income homeowners struggling with water debt. The city has allocated a total of \$12 million to forgive the water debt of participants since the program started. The city said 6,300 homeowners successfully completed the program for one year and their debt was forgiven.

Andrea Cheng, commissioner of the city's Department of Water Management, declined to comment.

Homeowners don't have to worry about getting their water disconnected right now, since Mayor Lightfoot issued a moratorium on water shutoffs in 2019. That move was prompted, in part, by an American Public Media/WBEZ investigation (<https://www.wbez.org/stories/chicagos-water-prices-are-skyrocketing-faster-than-other-great-lakes-cities/69951240-ea15-40c7-a649-5b6787e35b6b>) published earlier that year, which revealed that, in a decade, the cost of water in Chicago tripled and more than 150,000 water shutoffs for delinquent customers were disproportionately concentrated in Black and Latino neighborhoods. WBEZ has now found that tens of thousands of Chicago homeowners have incurred hundreds of millions of dollars in debt to pay for a resource they can't live without.

"It's the way cities are trying to collect this [water] debt, but it can end up being very unfair for the customers," said Coty Montag, senior counsel at the NAACP Legal Defense Fund and author of the 2019 report "Water/Color: A Study of Race and the Water Affordability Crisis in America's Cities."

Montag said water debt will continue to grow in some parts of the city faster than others.

"When your water rates are unaffordable, and you're not accounting for low-income customers, there's going to be a disproportionate impact on Black residents and other residents of color," Montag said.

Sixty percent of the city's water debt is concentrated in majority-Black ZIP codes

The ZIP codes with the highest debt burden are majority-Black or Latino. Meanwhile, most of the areas with the least debt are predominantly white.



Source: Public records request to the Chicago Department of Finance, and U.S. Census Bureau, American Community Survey 2015-2019 five-year data release.

Notes: A ZIP code is defined as majority-Black when the American Community Survey estimates more than half of the population identifies as Black.

Visualization: Charmaine Runes/WBEZ.

And that water debt can have profound effects both on the generational wealth of individual families and on the long-term stability and economic viability of entire communities. Homeowners stuck in water debt can lead to properties stuck in disrepair and communities locked into disinvestment.

Water debt can help diminish the value of a home, keeping it from being well-maintained, sold or generating any wealth for relatives who inherit the property. And communities riddled with hundreds of such homes are hard pressed to attract economic investments.

Furthermore, some frown on the practice of municipalities taxing water at all.

“Raising general tax revenue through a water and sewer bill is one of the most regressive ways a government can raise revenue,” said Manuel Teodoro, an associate professor at the University of Wisconsin-Madison.

Municipalities across the country issue taxes on water to fund other services, Teodoro said.

“If you look at the full range of ways that the city can raise revenue, a water and sewer tax is extremely regressive because everybody has to use water,” he said.

CHAPTER TWO

How water became unaffordable



How water became unaffordable for some Chicagoans

WBEZ News • 5m



Shortly after taking office in 2011, when faced with his first budget deficit, former Mayor Rahm Emanuel followed the footsteps of his predecessor — former Mayor Richard M. Daley. Emanuel turned the city's water and sewer bills into a revenue stream.

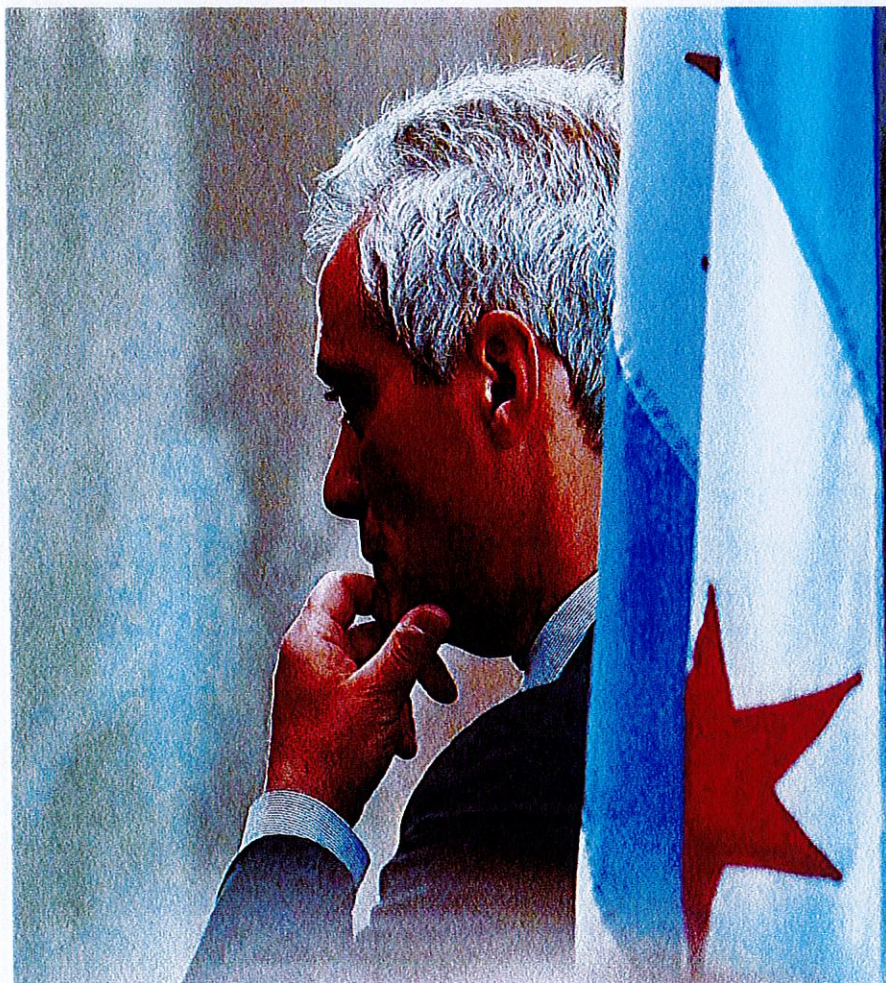
Emanuel added a garbage fee and increased the sewer fee. Within four years

(https://www.chicago.gov/city/en/depts/mayor/press_room/press_releases/2011/october_2011/mayor_rahm_emanueloutlines2012budgetproposaltosecurechicagosfutu.html), Chicago's water rates nearly doubled. At that time, Emanuel said the rate hikes were needed to repair the city's aging water infrastructure.

Those price rate hikes were even higher for homeowners without water meters. In 2013, the city said people in unmetered single family homes, on average, paid 25% more for water because their bills are calculated on a property's size and number of plumbing fixtures instead of the actual number of gallons used. That same year, the MeterSave program, a city program that installed water meters for free, exceeded its annual goal by installing more than 16,300 meters, and Emanuel announced the program was "achieving significant savings for Chicago residents across the city."

But many South Side homeowners, like Carla Padgett, didn't know their properties were unmetered. Padgett and her teenage son live in a two-flat house she inherited from her grandfather that includes five bedrooms and two bathrooms. She says they use very little water, crediting the military showers her father taught her, but her recent water and sewer bills are about \$1,400, on average, every six months.

Leading up to a divorce in 2015, she started falling behind on her water bills, which only kept climbing when Emanuel implemented a water-sewer tax in 2017 on top of the earlier rate hike.



Former Mayor Rahm Emanuel, shown here at a city council meeting in 2017, proposed a water-sewer tax to help address the city's employee pension debt. Matt Marton/Associated Press

The water-sewer tax was created, specifically, to help pay off the city's gigantic unfunded employee pension debt, which stood at close to \$19 billion when the tax was approved. Emanuel said the tax would protect Chicago taxpayers from "bearing the full burden of growing pension costs in the future."

"Not only are we shoring up the city's finances, we're ensuring that thousands of workers are able to retire with dignity and security," Emanuel said in a [press release](#)

(<https://www.chicago.gov/content/dam/city/depts/mayor/Press%20Room/Press%20Releases/2016/September/PensionFundingSolution.pdf>) after the tax was approved by the Chicago City Council.

But Emanuel's solution to the pension problem fueled a new water debt crisis. It increased the financial burden for Padgett and many other Chicagoans who were still reeling from the hike in water and sewer bills Emanuel passed years earlier. Thousands of Chicago homeowners were going into debt because they couldn't keep up.

Emanuel could not be reached for comment.

Since the water-sewer tax was implemented, Padgett's water bills grew and her debt accumulated at a faster rate than in previous years. In 2017, she was billed about \$1,100 every six months. By April 2019, her bill had increased by nearly 30% to \$1,415. She continued making payments but not enough to cover the entire bills. Today, she owes the city more than \$8,000, billing records show.

Padgett's water balance in 2021 is more than 30 times what it was a decade earlier

Source: WBEZ obtained the data with the homeowner's permission from the Department of Finance.

Visualization: Charmaine Runes/WBEZ.

🌸 A Flourish chart (https://public.flourish.studio/visualisation/7573517/?utm_source=showcase&utm_campaign=visualisation/7573517)

While Padgett tried to pay off the debt, she started doing research. A local nonprofit told her about the city's MeterSave program.

But by then it was too late. The city suspended the MeterSave program in 2019 following a *Chicago Tribune* (<https://www.chicagotribune.com/news/environment/ct-chicago-water-meters-lead-spike-20190709-gvxaqf52grcdnhajlmhrin3oe-story.html>) investigation (<https://www.chicagotribune.com/news/environment/ct-chicago-water-meters-lead-spike-20190709-gvxaqf52grcdnhajlmhrin3oe-story.html>) that found elevated levels of lead in the water of homes with the new meters.

There are almost twice as many unmetered homes in Chicago's majority-Black ZIP codes compared to its majority-white ZIP codes, a WBEZ analysis found.

Not only do those homes have higher water bills, but they also carry a higher tax burden.

Padgett would have to spend more than two weeks of her earnings to pay for the bill she received in April 2019 alone.

Teodoro says working class Chicagoans, like Padgett, are spending a bigger portion of their paychecks on water and sewer bills to help to balance budgets. But utility taxes are particularly regressive.

"My advice is: Resist the urge, tax honestly" Teodoro said. "Water and sewer taxes put a disproportionately heavy burden on the population that is least able to pay."



Carla Padgett says her family uses very little water, crediting the military showers her father taught her. Still, her recent water and sewer bills are about \$1,400, on average, every six months. Manuel Martinez/WBEZ

An estimated \$775 million in water and sewer tax revenue (<https://docs.google.com/spreadsheets/d/1-rTkGKzZlebwUNdSRv9y6ANLflIhrfIPBTtDnRT1XeO4/edit#gid=0>) were allocated to the city's Municipal Employees' Annuity and Benefit Fund, since the tax was implemented in 2017, according to a WBEZ analysis of city budget documents.

Naomi Davis, founder and CEO of Blacks in Green, a nonprofit advocating for environmental justice, helped Chicago homeowners living without water. Davis coordinated water distribution to those homeowners during the pandemic and tried to help them, and others, deal with delinquent accounts. Those efforts have been difficult, she said.

"We knew that there were programs and funds in place to abate water debt and to avoid shutoff, but this information was not routinely and consistently conveyed by the customer service representatives," Davis said.

Davis along with other local organizations worked together during the pandemic to reconnect water services to Chicagoans and provide free bottled water. As they met homeowners struggling with water shutoffs and high water bills, these organizations started helping homeowners interact with the water department.

"When we would call into the water department, with the authorization of a ratepayer, and we would look to steward the process, or facilitate a solution," Davis said, "what we found consistently was that there was no consistent quality, there was no consistent information that was being delivered from the customer service representative to the water customers."



Employees of the Chicago Department of Water Management work on replacing a metered water vault in Woodlawn on May 21, 2021. Unmetered properties, on average, pay more for water, according to the city. Manuel Martinez/WBEZ

Davis said the water department's "outright dysfunction or incompetence" and its "culture of hostility and indifference" has disproportionately harmed Black Chicagoans. She pointed to the department's documented history of racism.

Water department leadership was plagued with scandal under Emanuel.

In 2017, Commissioner Barrett Murphy was forced to resign after just a year on the job when news broke (<https://chicago.suntimes.com/2017/7/5/18333120/racist-water-department-emails-found-during-probe-of-alleged-gun-sales>) that racist and sexist emails were circulating among water department employees, and Murphy himself participated by forwarding an offensive email. (<https://www.chicagotribune.com/politics/ct-chicago-water-department-emails-met-20170714-story.html>)

Chicago's Inspector General Joseph Ferguson's office uncovered (<https://igchicago.org/wp-content/uploads/2017/07/OIG-2nd-Quarter-2017-Report-1.pdf>) emails "that extended to senior levels of department management" while reportedly investigating allegations that a district superintendent used his city email account to sell guns. By the end of that investigation, Ferguson's office recommended firing three water department employees.

On May 12, 2017, Emanuel named Randy Conner as the new commissioner. Conner, who is Black, was tasked with fixing an agency with a pervasive culture of racism. Former City Council Black Caucus chair Ald. Roderick Sawyer, 6th Ward, described "the pervasive culture of racism" at the department as an "open secret for years." (<https://news.wttw.com/2017/05/15/allegations-racism-sexism-and-gun-dealing-city-water-department>)

"When you have that culture of hostility and indifference, you have just outright dysfunction or incompetence."

The month after Conner was appointed, seven Black employees filed a federal lawsuit alleging they were denied promotions, were subjected to racial slurs and were sexually harassed because of their race.

"Yes, I've heard the N-word repeatedly," an assistant chief operating engineer told the *Chicago Tribune* (https://digitaledition.chicagotribune.com/tribune/article_popover.aspx?guid=fbef7bc3-bfa8-4ffe-858c-1053c713c44a) . (https://digitaledition.chicagotribune.com/tribune/article_popover.aspx?guid=fbef7bc3-bfa8-4ffe-858c-1053c713c44a)

During a City Council hearing (<https://chicago.suntimes.com/2017/10/11/18341358/alderman-demands-hearings-on-racist-culture-at-city-water-department>), South Side Ald. David Moore, 17th Ward, exhibited a photo of a water department truck with a noose hanging above the dashboard as evidence of the ongoing racist culture at the department.

When Connor retired in (<https://chicago.suntimes.com/city-hall/2021/1/4/22213980/randy-conner-resigns-chicago-water-management-department-commissioner#:~:text=Randy%20Conner%20resigned%20over%20the,racist%2C%20sexist%20and%20homophobic%20emails.>) December, deputy commissioner Andrea Cheng stepped in temporarily and was later named commissioner. Davis, of Blacks in Green, said this appointment was a missed opportunity for real change in the department.

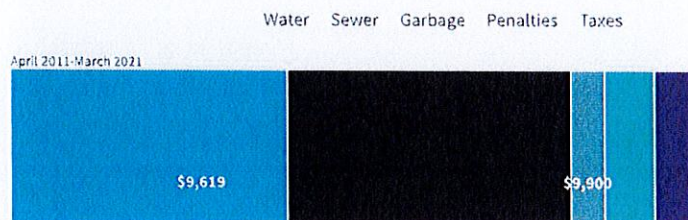
“She also is not on record as having taken any stand against the structural imbalances and the sort of the draconian result that was produced on Black and brown people under the present system,” Davis said. “Now, we’re just situated for more of the same.”

Padgett is not aware of the department’s history but questions the punitive debt collection system. Her finances worsened during the pandemic. In 2020, when the schools were ordered closed in favor of remote instruction, she lost her job. Without income, her debt kept growing. Earlier this year, it reached over \$8,000 and included more than \$1,700 in penalties. She has since returned to work.

“This is so crazy. ... I’m already struggling hard enough just to pay my mortgage, Padgett said. “It doesn’t make any sense. Why would you penalize people for water? I don’t understand.”

The city punished Padgett with an additional \$1,700 in penalties

Total charges by category



Source: WBEZ analysis of public records requests to Chicago Department of Finance

Visualization: Charmaine Runes/WBEZ.

● A Flourish chart (https://public.flourish.studio/visualisation/7734198/?utm_source=showcase&utm_campaign=visualisation/7734198)

Padgett said she was proud when she inherited the home from her grandfather, who was the second Black person to own a home on the block. The Padgett family tree is rooted in this house. After serving in the military, her grandfather moved from Mississippi to Chicago in the 1950s and settled in the Greater Grand Crossing neighborhood. He planted a pine tree in his front yard. It now stands taller than the building and is the only such tree on the block.

“If that tree right there could talk, that’s why you see I got a picture on it. The stories that the tree could tell,” she said.

Dozens of relatives have sat under that tree and made the house their home, too.

“Everyone in my grandmother and my grandfather’s family from the South stayed in this building,” she said.

Padgett’s divorce and a subsequent job loss triggered a series of financial hardships that led to a bankruptcy. But the growing water debt is destabilizing.

Padgett doesn’t make enough to stay current with her water bills. But she makes too much to qualify for the Utility Billing (<https://www.wbez.org/stories/chicago-expands-program-to-help-homeowners-struggling-with-unpaid-water-bills/25cb7451-0568-4914-ba2d-8cb6103957b8>) Relief program (<https://www.wbez.org/stories/chicago->

8cb6103957b8), which the Lightfoot administration said it created last year to help low-income homeowners. Under the program, homeowners who qualify get a 50% discount on their water and sewer bills and qualify for debt forgiveness. The Community and Economic Development Association of Cook County, Inc. or CEDA helped the city enroll more than 15,000 households.

"I don't want to have to lose my building over a water bill," said Padgett after she received a letter from a law firm regarding her debt. She recently learned the city can issue liens against the properties of homeowners with delinquent bills. She said she's afraid of the aggressive debt collectors who often call or send her letters. "It's not like this is a choice," Padgett said, holding back tears. "I have to have water."

On March 1, 2021, Padgett's delinquent water bill turned into a default judgement for \$5,669. That sum includes hundreds of dollars in fees, like a \$350 fee to cover the cost of a private attorney who represented the city at an administrative hearing where the judgment was rendered. Padgett missed the hearing because she didn't get the notice in time.

Like widgets on a factory conveyor belt, Padgett is among the tens of thousands of Chicagoans navigating an unfamiliar debt collection system with few checks and balances that offers little room to negotiate the repayment of hundreds of millions of dollars, collectively, owed to the city.

CHAPTER THREE

Many court cases, little due process



Costly enforcement: from delinquent water bill to code violation

WBEZ News · 6m



On a hot and humid Saturday morning this past summer, administrative law Judge Joseph Chico sits at the helm of a small city courtroom inside the Department of Administrative Hearings (<https://www.chicago.gov/city/en/depts/ah.html>). The department was created more than 20 years ago to expedite code enforcement violations by keeping the violation out of the county circuit court. This administrative court has adjudicated more than 100,000 cases involving delinquent water bills over the last decade.

On this day, Chico's docket is busy with 59 cases before noon.

"The city of Chicago versus Luis and Cristina Infante," Chico reads from the docket.

Cristina Infante and her husband, Luis, sit close to the small microphone. But it's her brother, Pedro, who answers the judge's questions. Infante brought her brother to translate during the hearing. After two minutes of discussion, Chico issued his ruling. He found the Infantes liable for \$4,969.85 in past-due water bills. That total included a \$25 administrative fee. The judge waived the \$350 fee to cover the appearance of the private attorney who represented the city — a rare occurrence in administrative hearings.

Infante said she hoped the judge would show compassion.

She wanted to tell the judge that her family didn't have any income since her husband had a stroke in 2019 that left him paralyzed.

"Our lives changed completely," the 59-year-old Pilsen resident said in Spanish. "He got sick, and I got sick, too. And we couldn't pay all of our bills."

But Infante never got a chance to explain her family's situation. This was their second hearing within 10 years.

She said the private lawyer representing the city was only interested in enrolling her in a payment plan.

Unlike the Infantes, most homeowners summoned over the last decade never made it to court. Administrative judges issue default judgments when homeowners don't attend their hearings. Nearly nine out of every 10 cases involving delinquent water debt ended up with default judgements.

Critics question the system's lack of transparency and due process. However, department officials pushed back. In a statement, the department wrote that "there is a significant amount of due process afforded" and that homeowners have up to 21 days to file a motion to "set aside the default" judgements.

WBEZ interviewed dozens of homeowners who fell behind on their water bills. Of the homeowners who said they had been contacted by a debt collector, none of them knew about the hearings.

Whether by default or delivered in person during the hearings, those judgements are powerful enforcement tools. They become the basis through which debt collectors go after the paychecks and even people's homes.

The city outsourced its debt collection to eight private law firms that keep 25% of the water debt they recover on behalf of the city. Since the law firms are paid on contingency, enforcement is aggressive.

"I don't want to have to lose my building over a water bill. It's not like this is a choice. I have to have water."

Debt collectors have garnished \$8.8 million in wages and collected \$26.4 million from judgements since 2013. The city also filed statutory liens against 4,500 homeowners between 2010 and 2012. It's unclear how many of those liens have been released. The city said it stopped issuing statutory liens in 2012.

When asked about ending that practice, the finance department said in a statement that "liens are no longer cost effective."

Since 2010, Chicagoans have paid more than \$937 million to address their delinquent water bills and additional fees associated with that debt. The eight law firms contracted to collect those debts have collectively taken more than a \$60 million cut from that total.

"The city attempts to make collection of outstanding utility debt through a series of bills and collection notices," the law department wrote in a statement when asked if contracting with private law firms was the most cost-effective way of collecting water debt.

The city provided letters of retainment for the private law firms dating back to 2013. "Outside law firms are chosen based on an evaluation process which includes experience in a particular field, legal expertise, professional reputation, previous clients' evaluation as well as the client department's needs and evaluations," the law department wrote in a statement.

Weeks after former Mayor Richard M. Daley won the 1989 special election and first took office, he faced his first major challenge — an estimated \$120 million budget deficit. Over the next several months, Daley targeted delinquent accounts, including water bills, as a ripe source for revenue.



Sylvia Thomas, left, holds a tax lien notice she received from the city of Chicago. Carla Padgett, right, tries to dispute charges on her water bill. The cost of water has increased dramatically over the past decade, leaving tens of thousands of Chicagoans struggling with rising water debt. Manuel Martinez/WBEZ.

"I am putting a stop to the idea that the city of Chicago is not serious about collecting money it is owed," Daley said in August 1989. "No business can stay afloat if it ignores its accounts receivable and no government can justify continually dipping into the taxpayers' wallets to cover up for a poor collection system."

Daley started trying to gather support for the idea of using the water department as a way to get revenue for the city. In 1989, his administration explored legal strategies to collect delinquent water bills, according to internal documents (<https://www.evernote.com/client/web#?b=35be2de8-e080-4af7-885b-ata0c4349801&fs=true&n=9326f028-2935-663d-a66b-1695959212f4&>).

Daley launched an aggressive debt collection program, which included going after city employees with delinquent water bills. The city also went after 75 delinquent water accounts by filing liens against those properties with plans that would be followed by foreclosure proceedings. The city also pursued 30 lawsuits seeking judgments against individuals.

"As a result of these efforts, the city has collected approximately \$174,000," Kelly R. Welsh, the city's corporate counsel at the time, wrote in a memorandum.



Chicago Mayor Richard M. Daley looks on during a news conference in Feb. 28, 2011. During his 22-year tenure, Daley created an aggressive system for dealing with homeowners who fall behind on water bills. Paul Beaty/Associated Press.

The following year, with Daley's help, a new ordinance was passed. The ordinance established a new enforcement model that includes a path for the city to issue statutory liens against properties with delinquent water bills. The ordinance, which is still on the books, also allowed the city to issue interest, fines and fees.

Then in 1997, after spending two years strategizing on how to make it happen, Daley led the City Council to approve an ordinance that created the administrative hearing department. Daley wanted to find a faster way to enforce city code violations, including parking tickets.

"Daley has aggressively pursued minor civil and criminal offenses, under the 'broken windows' concept that unchecked small disorders will lead to larger ones," Jim Reilly, the first director of the administrative hearings department, co-wrote in a 1998 Pepperdine University report. "The department of administrative hearings is at the forefront of the city's mission and is typically a citizen's first contact with quasi-judicial process."

CHAPTER FOUR

The woman who fought City Hall and won



The woman who fought City Hall and won

WBEZ News • 6m



When Sylvia Taylor inherited her family's Englewood home, there was a \$478 balance on the account, which was eventually paid off later.

Over the years, Taylor made five requests to disconnect the water, documents show. Just in case she didn't turn off the water "the right way" the first few times, she said. But she kept getting billed every six months, \$280 in 2007. Taylor paid close to \$1,500 between 2008 and 2013 to help keep the debt from growing, she said. But she quickly realized the city would not stop adding new charges. By 2019, she was getting charged \$2,200 every six months, almost half of which came from penalties.

An examination of city records shows that dozens of Chicagoans may face similar struggles of incurring water debt for vacant properties. WBEZ identified at least 160 properties, including 48 unmetered properties, labeled vacant by the

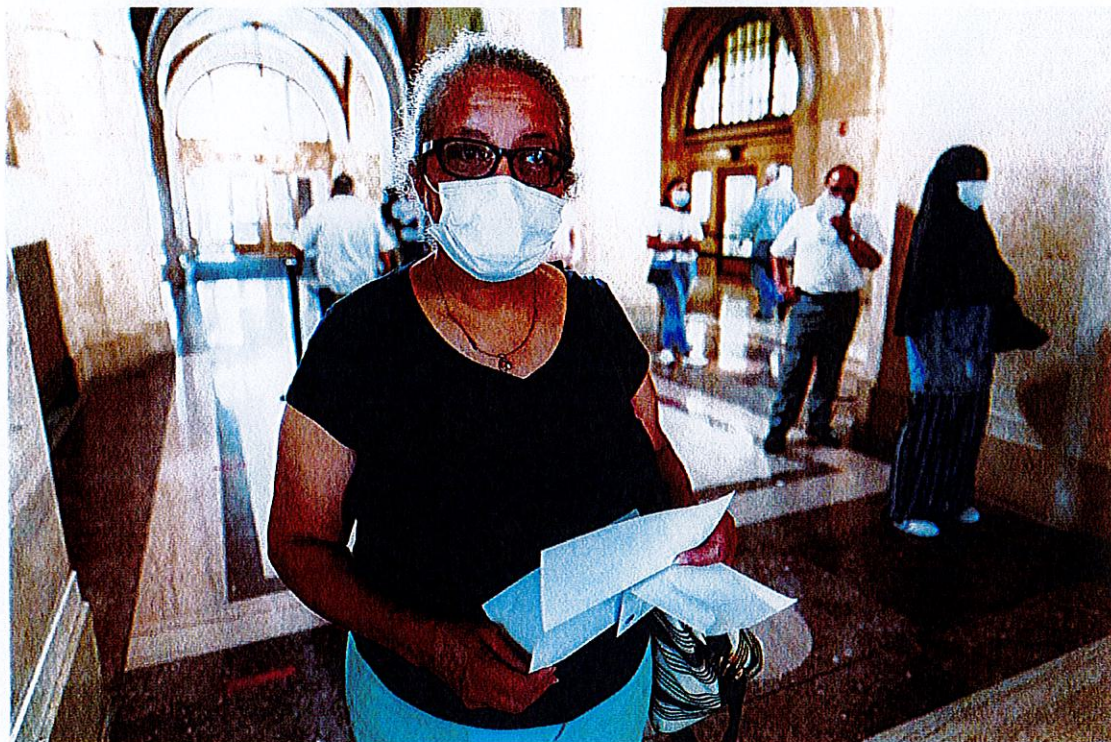
Taylor said the billing error kept her from renting out the property. Taylor said she found the perfect tenant in 2013, but she was unable to get the city to restore water to the property. She said the city told her that the water was already on.

Tired and frustrated, Taylor turned to the media for help.

"I realized that by myself, I was still spinning my wheels," she said.

Taylor reached out to WBEZ, asking for help in 2019 following an [investigation \(https://www.wbez.org/stories/chicagos-water-prices-are-skyrocketing-faster-than-other-great-lakes-cities/69951240-ea15-40c7-a649-5b6787e35b6b\)](https://www.wbez.org/stories/chicagos-water-prices-are-skyrocketing-faster-than-other-great-lakes-cities/69951240-ea15-40c7-a649-5b6787e35b6b) into the rising cost of water in Chicago and how water shutoffs were disproportionately concentrated in low-income, mostly-Black and mostly-Latino neighborhoods in the city.

"When I heard your story, it was like a shot in the arm or super vitamin mix that gave me the strength to try over again," Taylor recently told WBEZ.



Sylvia Taylor visits the Cook County Clerk's office on July 30, 2021, to release a statutory lien against her property. This marked the end to a 14-year battle with the city over water debt on her home. "What makes me fight is because my mother and father saved to buy this building," she said. Manuel Martinez/WBEZ.

The Department of Water Management declined to answer questions regarding Taylor's case except to say that the city helped Taylor restore water during the pandemic. The city worked closely with Elevate Energy, according to a statement from the water department.

"Elevate Energy replaced most of her interior plumbing, installed a new furnace," the statement read. "All at no cost to Ms. Taylor."

According to the statement, the water department is working with Taylor to verify whether she qualifies for its Lead Service Line Replacement Program, which would also help Taylor get a water meter installed.

In January 2020, WBEZ visited the property, verified that it did not have water and filed a Freedom of Information Act request with the city for Taylor's account history and other records. That first request finally got the attention of the right people.

It forced city officials to look through records, and they quickly found the error.

"Her argument and probably WBEZ's argument is likely that she has been unfairly billed continuously and her property has been vacant since 2007," an unnamed FOIA officer from the water department wrote in an email to former mayoral spokesperson Hali Levandoski on Jan. 31, 2020, according to internal emails.

"There are some service orders stating the property appears vacant," the FOIA officer warned about a report that said the entire building was "vacant and water shut-off since 2007."

Megan Vidis, the water department spokesperson, noted that the report could be an issue.

"Page 14 is an issue," Vidis wrote to Levandoski and Anjali Julka, former Freedom of Information Act officer for the mayor's office. "The notetaker was probably parroting what the owner was telling him."

WBEZ pressed the city to produce the records in February 2020, and that same month the city forgave \$21,400 in water debt for Taylor, billing records show. But the fight was far from over. Within a few months, Taylor was forced to move into the vacant Englewood home that had been without water for more than a decade. She lived there without water for nearly a year during one of the worst pandemics in modern history.

"It would have been a travesty to me, for [my parents] to go through what they went through to be home owners and, while it's in my care, the city takes it."

Taylor's own house in Bronzeville caught fire in February 2019. The retired community health worker rented an apartment nearby to monitor the reconstruction. But the city delayed her building permits for that house for months because of the erroneous delinquent water bill. When her insurance company refused to continue paying rent to accommodate for the delays, she was forced to move into the vacant Englewood home. She was forced to live without water there for eight months. And the 125-year-old house had poor insulation; it was miserably cold during the winter.

"It was freezing. I could see my breath," she said of her Englewood home. "I spent my time in one little room with a heater, and that's how I stayed warm and was able to cope with things."

She was desperate and contacted the mayor's office asking for help restoring her water. Around that time, local organizations partnered with the water department to help Chicagoans living without water during the pandemic to reconnect services. Taylor connected with Elevate Energy and other local organizations to pay for the replacement of the home's old and broken pipes.

By spring 2021, Taylor finally got her water reconnected. But this was still not the end of her battle against the city. There was still the statutory lien the city had filed against her property back in 2009 in pursuit of \$1,100 that the city claimed she owed at that time.

"My mother and father saved to buy this building," she said. "It would have been a travesty to me for them to go through what they went through to be homeowners and, while it's in my care, the city takes it for these falsified billings and liens."

Over the summer, as WBEZ investigated statutory liens imposed to collect water debt, the city sent Taylor a notice she didn't recognize. The statutory lien against her property had been released.

Internal emails show officials discussing WBEZ's requests. But most of the emails are redacted, and it's impossible to know why the city sent Taylor that form.

Despite all the challenges, Taylor said she's glad the water department finally admitted they were wrong.

Taylor said beating City Hall is even sweeter because the city may have underestimated her — a Black woman from Englewood.

"The water department might say this, just another dumb Black person that lives in Englewood, and we don't have to listen to her 'cause, you know, she's stupid anyway," Taylor said. "I get that, because that's what a lot of institutions do."

Angela Caputo contributed fact-checking to this report.

A previous version of this story misidentified Sylvia Taylor in a photo caption and misattributed a quote from Taylor.

Maria Inés Zamudio (<https://www.wbez.org/staff/194/maria-ines-zamudio>) is a reporter for WBEZ's Race, Class and Communities desk. Follow her [@mizamudio](http://twitter.com/mizamudio), and read her past coverage (<https://www.wbez.org/collections/how-chicagos-water-became-unaffordable-for-thousands/89>) on water shutoffs.

Alden Loury (<https://www.wbez.org/staff/205/alden-loury>) is the senior editor of WBEZ's Race, Class and Communities desk. Follow him [@AldenLoury](https://twitter.com/aldenloury) (<https://twitter.com/aldenloury>).

Matt Kiefer (<https://www.wbez.org/staff/2547/matt-kiefer>) is WBEZ's data editor. Follow him [@matt_kiefer](https://twitter.com/matt_kiefer) (https://twitter.com/matt_kiefer).

Mary Hall (<https://www.wbez.org/staff/1108/mary-hall>) is a digital producer at WBEZ. Follow her [@hall_marye](https://twitter.com/hall_marye) (https://twitter.com/hall_marye).

Manuel Martínez (<https://www.wbez.org/staff/198/manuel-martinez>) is a visual journalist at WBEZ. Follow him [@DenverManuel](https://twitter.com/DenverManuel) (<https://twitter.com/DenverManuel>).

Katherine Nagasawa (<https://www.wbez.org/staff/261/katherine-nagasawa>) was previously WBEZ's audience engagement producer. Follow her [@Kat_Nagasawa](https://twitter.com/Kat_Nagasawa) (https://twitter.com/Kat_Nagasawa).

Charmaine Runes (<https://www.wbez.org/staff/2652/charmaine-runes>) is WBEZ's data/visuals reporter. Follow her [@maerunes](https://twitter.com/maerunes) (<https://twitter.com/maerunes>).

Learn more about how WBEZ investigated water debt (<https://www.wbez.org/stories/methods-how-wbez-analyzed-water-debt-in-chicago/ocdf57f5-95ab-4edf-b938-3a2478a9c165>) in Chicago and the data behind the findings.

EXHIBIT 2

COVID-19 Vaccine

The COVID-19 vaccines are safe and effective, and are an important tool for ending the global pandemic. Vaccines protect you and the people around you, reducing the spread of COVID-19. Learn more at [Learn more at Chicago.gov/COVIDVax](https://chicago.gov/COVIDVax).



Accessibility

Search



I WANT TO

PROGRAMS AND INITIATIVES

GOVERNMENT

ABOUT

TRANSLATE

Finance

[Home](#) / [Departments](#) / [Finance](#) / [Supporting Info](#) / [Utility Billing](#) / [Water-Sewer Tax FAQ](#)

Water-Sewer Tax FAQ

Why is the City Adding this Tax?

- The Chicago City Council and Mayor Emanuel approved a four-year phase-in of a water and sewer utility tax. The revenue from this tax will be used to make certain mandated pension payments.
- These mandated pension payments will support the retirements of many municipal employees, including our snow plow drivers, our librarians, and CPS non-teaching staff, such as classroom aides.

When will the tax appear on my water-sewer bill? Will the water-sewer tax impact my billing cycle?

- The water-sewer tax will appear on utility bills beginning in March 2017 with tax charges starting to accrue that same month.
- Utility accounts will be billed at the same frequency and on the same schedule as their current unified utility billing cycle.

I'm a metered account. What will I be charged?

- Properties with a water meter are billed based on the amount of water used in the billing period. For current water rates, please see [Water and Sewer Rates](#).
- Sewer charges are 100 percent of water charges.
- The water-sewer tax is charged based on consumption.
- The tax will be phased-in over four years, starting in March 2017 through 2020 and stay at the same tax rate in 2021.
- Beginning in March 2017, the water-sewer tax will be assessed at a rate of \$.295 per 1,000 gallons of water and \$.295 per 1,000 gallons of sewer or a total of \$.59 per 1,000 gallons of water-sewer use.

I'm a non-metered account. What will I be charged?

- Per the Municipal Code of Chicago, water usage is assessed based on factors including building size, lot size and other fixtures -- such as sinks, toilets, etc. The water charge is calculated by assuming usage based on these factors.
- Sewer charges are 100 percent of water charges.
- Non-metered properties are charged the water-sewer tax based on the same method used to calculate water and sewer charges.
- The tax will be phased-in over four years, starting in March 2017 through 2020, and stay the same tax rate in 2021.
- Beginning in March 2017, the water-sewer tax will be assessed at a rate of \$.295 per 1,000 gallons of water \$.295 per 1,000 gallons of sewer or a total of \$.59 per 1,000 gallons of water-sewer use.

Supporting Information Facts

Department:

Finance

Utility Billing & Customer Service

People We Serve:

Residents

Home Owners

Renters

I Want To

[Apply For](#) +

[Check Status Of](#) +

[Find / Get](#) +

[Pay For/Buy](#) +

[Register](#) +

[Report/File](#) +

[Request](#) +

[Sign up for/Volunteer](#) +

| YEAR | TAX ON WATER PORTION | TAX ON SEWER PORTION | TOTAL TAX (WATER & SEWER) | Y-O-Y TAX RATE INCREASE |
|------|----------------------|----------------------|---------------------------|-------------------------|
| 2017 | \$.295 | \$.295 | \$.59 | 7.7% |
| 2018 | \$.64 | \$.64 | \$ 1.28 | 8.4% |
| 2019 | \$ 1.005 | \$ 1.005 | \$ 2.01 | 8.2% |
| 2020 | \$ 1.255 | \$ 1.255 | \$ 2.51 | 5.2% |
| 2021 | \$ 1.255 | \$ 1.255 | \$ 2.51 | 0.0% |

I'm a metered account and part of the MeterSave program. What will happen to my bill if I go above my Metersave cap? Will the tax be charged on the total water and sewer use or just what I am billed for?

- For MeterSave residences, the water-sewer tax will only be assessed on the amount of water-sewer for which you are billed, not your total usage.

I'm a non-metered account. How do I sign up for a meter?

- Chicago's MeterSave program installs residential water meters free of charge to promote water conservation and save customers as much as 40 percent on their water and sewer costs.
- Homeowners participating in MeterSave are eligible for seven-year guarantee that their home water bill will be no higher than it would have been if the meter had not been installed.
- To learn more about the program, call 3-1-1 or visit www.metersave.org.

I'm a senior. Will I receive any reduction in the tax?

- Seniors who receive the senior citizen sewer exemption (senior who live in their own home and are individually metered) will continue to receive the exemption.
- This exemption reduces eligible senior's total water and sewer bill by 50 percent by removing sewer charges.
- With this exemption, senior will also see a 50 percent reduction in the tax on water-sewer usage as the tax will only be charged to the water portion of a seniors bill.

What happens if I do not pay the water-sewer tax?

- A penalty accrues at a rate of 1.25 percent per month on late balances, including tax charges.
- A property owner may have their water shut off for failure to pay their unified utility bill after multiple notifications.
- There are multiple payment plan options for residents to pay their utility bills. To learn more about the payment plan options, visit: [Utility Bill Payment Plans](#)

[Home](#)

[Disclaimer](#)

[Privacy Policy](#)

[Web Standards](#)

[Site Credits](#)

[Site Map](#)

[Contact Us](#)

[Press Room](#)



City of Chicago

Copyright © 2010 - 2022 City of Chicago



EXHIBIT 3

(d) 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 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 shall execute releases of such liens on behalf of the city upon receipt of payment thereof.

(Added Coun. J. 12-12-01, p. 75777, § 6.3; Amend Coun. J. 12-4-02, p. 99026, § 1.6; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 3; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 3; Amend Coun. J. 10-28-15, p. 12062, Art. IX, § 1)

3-12-080 City's authority not limited.

Nothing contained in Section 3-12-060 or Chapter 1-25* shall be deemed to limit the authority of the city to negotiate or fix rates, by contract, with other municipalities for users of the city's system residing in such municipalities.

(Added Coun. J. 12-12-01, p. 75777, § 6.3; Amend Coun. J. 10-28-15, p. 12062, Art. IX, § 1)

* **Editor's note** – As set forth in Coun. J. 10-28-15, p. 12062, Art. IX, § 1. There is currently no Chapter 1-25. Future legislation will correct the provision if needed.

CHAPTER 3-80

CHICAGO WATER AND SEWER TAX

3-80-010 Title.

3-80-020 Definitions.

3-80-030 Tax imposed.

3-80-040 Rate of tax.

3-80-050 Exemptions.

3-80-060 Collection and payment of the tax.

3-80-070 Deposit of funds.

3-80-080 Rules and regulations.

3-80-010 Title.

This chapter shall be known and may be cited as the “Chicago Water and Sewer Tax Ordinance”. The tax shall be known as the “Chicago Water and Sewer Tax” and is imposed in addition to all other taxes imposed by the City of Chicago, the State of Illinois or any other municipal corporation or political subdivision of the State of Illinois.

(Added Coun. J. 9-14-16, p. 29720, § 1)

3-80-020 Definitions.

When any of the following words or terms is used in this chapter, it shall have the meaning ascribed to it in this section:

- A. "City" means the City of Chicago, Illinois.
- B. "Department of Finance" means the City's Department of Finance or any successor department of the City.
- C. "Department of Water Management" means the City's Department of Water Management or any successor department of the City.
- D. "Fee" means the fee, charge, rate or other amount billed to a Purchaser for water or sewer service. "Fee" does not include (i) any interest or penalties related to a Fee, or (ii) the tax imposed by this chapter, or any interest or penalties related to the tax.
- E. "Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, municipal corporation or political subdivision of the State of Illinois, or a receiver, trustee, conservator or other representative appointed by order of any court.
- F. "Purchaser" means any person who purchases water or sewer service from the Department of Water Management.

(Added Coun. J. 9-14-16, p. 29720, § 1)

3-80-030 Tax imposed.

Except as otherwise provided by this chapter, a tax is imposed upon: (1) the use or consumption in the City of water that is purchased from the Department of Water Management, and (2) the transfer of wastewater to the City sewer system from property located in the City. The ultimate incidence of and liability for payment of the tax is upon the Purchaser.

(Added Coun. J. 9-14-16, p. 29720, § 1)

3-80-040 Rate of tax.

The rate of the tax shall be as follows:

A. For water use: (1) during calendar year 2017, \$.000295 per gallon of water used or consumed; (2) during calendar year 2018, \$.00064 per gallon of water used or consumed; (3) during calendar year 2019, \$.001005 per gallon of water used or consumed; (4) during calendar year 2020, and during each calendar year thereafter, \$.001255 per gallon of water used or consumed. In the case of metered water service, the tax on water use shall equal the water tax rate multiplied by the number of gallons of water used or consumed. In the case of non-metered water service, the tax on water use shall equal the water tax rate multiplied by the assumed number of gallons of water used or consumed. Where no exemption applies, the assumed number of gallons of water used or consumed shall be determined by dividing the total water Fees charged by the per-gallon metered water Fee rate. Where an exemption applies, the assumed number of gallons of water used or consumed shall be determined by dividing the total water Fees that would have been charged in the absence of any exemption by the per-gallon metered water Fee rate.

B. For sewer use: 100 percent of the amount of tax determined to be owed for water use, as calculated in accordance with subsection A of this section.

(Added Coun. J. 9-14-16, p. 29720, § 1)

3-80-050 Exemptions.

A. The tax imposed by this chapter shall not apply to:

1. any person, business or activity which, under the laws of the United States or the State of Illinois, may not be made the subject of taxation by the City;
2. for water use, the use or consumption of water for which the Purchaser is exempt from paying a water Fee;

3. for sewer use, the transfer of wastewater for which the Purchaser is exempt from paying a sewer Fee.

B. Where a percentage of water or sewer Fees is exempt, the same percentage of use shall be exempt from the tax on water or sewer use. Where a dollar amount of water or sewer Fees is exempt, the equivalent amount of use shall be exempt from the tax on water or sewer use. This shall include, but not be limited to, an exemption from the payment of water or sewer Fees as the result of the cap provided by the City's MeterSave program.

For purposes of this subsection B, the amount of sewer use shall be assumed to equal the amount of water use.

(Added Coun. J. 9-14-16, p. 29720, § 1)

3-80-060 Collection and payment of the tax.

The Department of Finance shall collect the tax by billing it as a separately stated item on its unified statement of charges to Purchasers of water and sewer service. The Purchaser shall pay the tax to the Department of Finance on or before the payment due date of the Department of Finance's first bill that includes the tax. A late payment penalty assessed at a monthly rate of one and one-fourth percent shall be imposed on all tax for which payment in full is not received within 24 calendar days from the date the bill therefor was sent, as shown by the records of the Department of Finance. The late payment penalty shall not be imposed upon persons who are 65 years or older, who own and reside in their own residence and who have a separate water meter or water assessment.

(Added Coun. J. 9-14-16, p. 29720, § 1)

3-80-070 Deposit of funds.

All proceeds resulting from the imposition of the tax imposed by this chapter, including any interest or penalties related to the tax, shall be deposited in the City's Corporate Fund and shall be used to meet the City's funding obligations to the Municipal Employees' Annuity and Benefit Fund of Chicago.

(Added Coun. J. 9-14-16, p. 29720, § 1)

3-80-080 Rules and regulations.

The Comptroller is authorized to adopt, promulgate and enforce reasonable rules and regulations pertaining to the administration and enforcement of this chapter.

(Added Coun. J. 9-14-16, p. 29720, § 1)

EXHIBIT 4

ARTICLE IV. WATER CHARGES (11-12-260 et seq.)**11-12-260 Annual statement – Rate establishment.**

At the close of each fiscal year, the department of water management shall prepare a statement of the revenues and expenditures of the water system of the city and a balance sheet thereof. The department shall then prepare an ordinance, for submission to the city council, establishing the rates to be charged for water service in the following year. The fees, charges, and rates established by said ordinance shall be sufficient in all times to pay the cost of operation and maintenance of the water system, to make principal and interest payments on any outstanding bonds, and to establish and maintain any reserve funds or accounts as may be covenanted for in bond ordinances authorizing the issuance of outstanding bonds.

(Prior code § 185-25.1; Added Coun. J. 12-12-84, p. 11883; Mayoral veto. 12-18-84, p. 11998; Corrected. 2-4-85, p. 13433; Amend Coun. J. 12-4-02, p. 99026, § 1.12)

11-12-270 Nonmetered service.

The minimum amount to be charged for water service to any building, structure or premises fronted by a public street, in or to which such building, structure or premises any water supply is laid, but excepting such service which is wholly controlled by meter, shall be as follows as of January 1st of the years indicated:

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|----------|----------|----------|----------|----------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| For buildings having a front width of 12 feet or less | \$63.01 | \$78.76 | \$90.58 | \$104.16 | \$119.79 |
| For buildings having a front width: | | | | | |
| Exceeding 12 feet but not exceeding 15 feet | \$87.00 | \$108.75 | \$125.06 | \$143.82 | \$165.40 |
| Exceeding 15 feet but not exceeding 18 feet | \$118.68 | \$148.35 | \$170.60 | \$196.19 | \$225.62 |
| Exceeding 18 feet but not exceeding 21 feet | \$143.31 | \$179.14 | \$206.01 | \$236.91 | \$272.45 |
| Exceeding 21 feet but not exceeding 24 feet | \$151.95 | \$189.94 | \$218.43 | \$251.19 | \$288.87 |
| Exceeding 24 feet but not exceeding 27 feet | \$175.94 | \$219.93 | \$252.91 | \$290.85 | \$334.48 |
| Exceeding 27 feet but not exceeding 30 feet | \$206.97 | \$258.71 | \$297.52 | \$342.15 | \$393.47 |
| Exceeding 30 feet but not exceeding 33 feet | \$229.52 | \$286.90 | \$329.94 | \$379.43 | \$436.34 |
| Exceeding 33 feet but not exceeding 36 feet | \$238.31 | \$297.89 | \$342.57 | \$393.96 | \$453.05 |
| Exceeding 36 feet but not exceeding 40 feet | \$277.51 | \$346.89 | \$398.92 | \$458.76 | \$527.57 |
| Exceeding 40 feet but not exceeding 44 feet | \$295.25 | \$369.06 | \$424.42 | \$488.09 | \$561.30 |
| Exceeding 44 feet but not exceeding 48 feet | \$318.46 | \$398.08 | \$457.79 | \$526.45 | \$605.42 |
| Exceeding 48 feet but not exceeding 52 feet | \$342.76 | \$428.45 | \$492.72 | \$566.63 | \$651.62 |
| Exceeding 52 feet but not exceeding 56 feet | \$366.43 | \$458.04 | \$526.74 | \$605.75 | \$696.62 |
| Exceeding 56 feet but not exceeding 62 feet | \$391.23 | \$489.04 | \$562.39 | \$646.75 | \$743.76 |
| Exceeding 62 feet but not exceeding 67 feet | \$405.61 | \$507.01 | \$583.06 | \$670.52 | \$771.10 |
| Exceeding 67 feet but not exceeding 72 feet | \$429.77 | \$537.21 | \$617.79 | \$710.46 | \$817.03 |
| Exceeding 72 feet but not exceeding 77 feet | \$453.92 | \$567.40 | \$652.51 | \$750.39 | \$862.94 |
| Exceeding 77 feet but not exceeding 82 feet | \$478.07 | \$597.59 | \$687.23 | \$790.31 | \$908.86 |
| Exceeding 82 feet but not exceeding 87 feet | \$509.58 | \$636.98 | \$732.52 | \$842.40 | \$968.76 |

For each additional five feet, or major fraction thereof, in excess of 87 feet, the following charges shall be made as of January 1st of the year indicated:

| 2011 | 2012 | 2013 | 2014 | 2015 |
|---------|---------|---------|---------|---------|
| \$24.00 | \$30.00 | \$34.50 | \$39.68 | \$45.63 |

Wings, bays, or projections of a depth not greater than 75 percent of the depth of the main portion of the structure shall have but one-half of their front width included in computing the front width of the building.

In applying the aforesaid schedule to buildings, structures or premises where the outline is a right-angle triangle; only two-thirds of the measurement of the base of such triangular outline shall be taken as the front width.

Where the measurement of the front width of a building of a rectangular outline is greater than the measurement of its depth, the measurement of such depth may be taken instead of the measurement of the front width in applying the schedule of frontage charge.

For each story in height of building in excess of one story, the following charges shall be made in addition to the foregoing as of January 1st of the years indicated:

| 2011 | 2012 | 2013 | 2014 | 2015 |
|---------|---------|---------|---------|---------|
| \$38.55 | \$48.19 | \$55.42 | \$63.73 | \$73.29 |

The term "story" as used in the foregoing shall include:

- (a) Basements containing two or more finished rooms, not including laundry rooms;
- (b) Basements or attics used for business purposes, other than those used exclusively for storage, and in which no person is regularly employed;
- (c) Attics containing two or more finished rooms. Outbuildings, rear buildings or buildings on alleys shall be exempt from a service charge when located in the rear of other buildings assessed such service charge; but such buildings shall not be considered as rear buildings when fronted by any street.

For the purpose of assessment, the occupancies of buildings, structures or premises shall be classified as nearly as possible as follows:

Class A. Buildings used as private residences exclusively, which are occupied by members of one family only, and in which no portion of the building is rented or maintained for rent to other persons.

Class B.

(b1) Flat or apartment buildings containing one or more flats or apartments with a minimum of one water closet, one bath and one sink.

(b2) Flat or apartment buildings not having baths for any of the flats or apartments.

The amounts to be charged for service to buildings in Class A shall be the amount heretofore specified as minimum charge for service. This charge shall include service for all ordinary domestic fixtures and openings, but shall not include service for outbuildings, air conditioning, or use of hose for sprinkling, washing or like purposes, or other devices which require large quantities of water. Such service as is not included shall be charged for additionally at rates hereinafter specified.

The amounts to be charged for service to buildings in Class B shall be the amounts heretofore specified as minimum charge for service, and this charge shall include, in Class (b1), one flat or apartment equipped with not less than one water closet, one bath and one sink, and in Class (b2), one water closet and two-family sinks, each of such sinks being open to use of not to exceed one family. If either sink is open to use of other families charges per annum, as of January 1st of the year indicated, shall be made for each such other family:

| 2011 | 2012 | 2013 | 2014 | 2015 |
|---------|---------|----------|----------|----------|
| \$79.33 | \$99.16 | \$114.04 | \$131.14 | \$150.81 |

For each other flat or apartment equipped with not less than one water closet, one bath and one sink, the following charges per annum, as of January 1st of the year indicated, shall be made:

| 2011 | 2012 | 2013 | 2014 | 2015 |
|------|------|------|------|------|
| | | | | |

| | | | | |
|----------|----------|----------|----------|----------|
| \$182.81 | \$228.51 | \$262.79 | \$302.21 | \$347.54 |
|----------|----------|----------|----------|----------|

For fixtures for use of apartments having less than the above equipment, the following:

For each water closet – per annum, as of January 1st of the year indicated:

| <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
|-------------|-------------|-------------|-------------|-------------|
| \$79.33 | \$99.16 | \$114.04 | \$131.14 | \$150.81 |

If such water closet is open to the use of more than one family, an additional charge per annum shall be made for each such family as of January 1st of the year indicated:

| | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
|---|-------------|-------------|-------------|-------------|-------------|
| For each bath per annum | \$79.33 | \$99.16 | \$114.04 | \$131.14 | \$150.81 |
| For each wash basin per annum | \$24.15 | \$30.19 | \$34.72 | \$39.92 | \$45.91 |
| For each family sink which is open to the use of not more than one family per annum | \$24.15 | \$30.19 | \$34.72 | \$39.92 | \$45.91 |

If such sink is open to the use of more than one family, additional charges per annum, as of January 1st of the year indicated, shall be made for each such family:

| <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
|-------------|-------------|-------------|-------------|-------------|
| \$24.00 | \$30.00 | \$34.50 | \$39.68 | \$45.63 |

All openings at trays used for private laundry purposes shall be allowed with service charge, but service for outbuildings, air conditioning, use of hose for sprinkling, washing or like purposes, or other devices which require large quantities of water, shall not be included. Such service as is not included shall be charged for additionally at rates hereinafter specified.

For other special water fixtures or for any other special or unusual use of water for which no charge is specified, the commissioner shall determine the amount to be charged for such special fixtures and for such use of water, such charge to be based upon an estimate of the water used.

(Prior code § 185-26; Amend Coun. J. 12-12-84, p. 11883; Mayoral veto. 12-18-84, p. 11998; Amend Coun. J. 1-23-85, p. 12937, 4-26-89, p. 425; Amend Coun. J. 6-28-91, p. 2475; Amend Coun. J. 6-23-93, p. 34793; Amend Coun. J. 11-15-95, p. 11995; Amend Coun. J. 11-10-99, p. 14998, § 7.2; Amend Coun. J. 11-17-99, p. 17487, § 7.2; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 11-19-03, p. 14216, § 7.1; Amend Coun. J. 11-13-07, p. 15814, § 1; Amend Coun. J. 11-16-11, 14596, Art. III, § 1)

11-12-280 Additional charges.

In addition to other rates and charges assessed against any building, structure or premises the supply to which is not controlled by meter, annual rates, or rates for other periods where so specified, charges shall be assessed where fixtures, devices or occupancies are found, as follows:

For hose such as is ordinarily used for sprinkling, washing or like purposes, per season, as of January 1st of the year indicated:

| | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
|--|-------------|-------------|-------------|-------------|-------------|
| | <i>2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>2015</i> |
| For a frontage of 30 feet or less | \$56.14 | \$70.18 | \$80.70 | \$92.81 | \$106.73 |
| For a frontage exceeding 30 feet but not exceeding 50 feet | \$79.33 | \$99.16 | \$114.04 | \$131.14 | \$150.81 |

| | | | | | |
|--|------------|------------|------------|------------|------------|
| For each additional 25 feet of frontage or major fraction thereof | \$16.16 | \$20.20 | \$23.23 | \$26.71 | \$30.72 |
| For aquariums with water connection, with a capacity not to exceed 10 cubic feet of water per season | \$56.14 | \$70.18 | \$80.70 | \$92.81 | \$106.73 |
| For each additional 10 cubic feet or major fraction thereof | \$56.14 | \$70.18 | \$80.70 | \$92.81 | \$106.73 |
| For fountains, per season: | | | | | |
| each jet of 1/16 of an inch or less | \$127.80 | \$159.75 | \$183.71 | \$211.27 | \$242.96 |
| exceeding 1/16 of an inch but not exceeding 1/8 of an inch | \$509.58 | \$636.98 | \$732.52 | \$842.40 | \$968.76 |
| exceeding 1/8 of an inch but not exceeding 1/4 of an inch | \$1,264.54 | \$1,580.68 | \$1,817.78 | \$2,090.44 | \$2,404.01 |

Gardens sprinkled or irrigated which are not part of the adjoining premises:

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---------|---------|---------|---------|----------|
| For 3,000 square feet or less, per season | \$56.14 | \$70.18 | \$80.70 | \$92.81 | \$106.73 |
| For each additional 3,000 square feet or major fraction thereof | \$24.15 | \$30.19 | \$34.72 | \$39.92 | \$45.91 |

For other special water fixtures, or for any other special or unusual use of water for which no charge has been heretofore specified, the commissioner shall determine the amounts to be charged for such special fixtures or for such use of water, such charge to be based upon an estimate of water used.

(Prior code § 185-27; Amend Coun. J. 12-12-84, p. 11843; Mayoral veto. 12-18-84, p. 11998; Amend Coun. J. 1-23-85, p. 12937; Amend Coun. J. 4-26-89, p. 425; Amend Coun. J. 6-28-91, p. 2475; Amend Coun. J. 6-23-93, p. 34793; Amend Coun. J. 11-15-95, p. 11995; Amend Coun. J. 11-10-99, p. 14998, § 7.2; Amend Coun. J. 11-17-99, p. 17487, § 7.2; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 11-19-03, p. 14216, § 7.2; Amend Coun. J. 11-13-07, p. 15814, § 1; Amend Coun. J. 12-12-07, p. 17167, § 10; Amend Coun. J. 11-16-11, p. 14596, Art. III, § 1; Amend Coun. J. 7-29-15, p. 3537, § 1)

11-12-290 Temporary use of water from a hydrant.

Persons requiring temporary use of water from a City fire hydrant shall apply to the commissioner for permission, stating in a signed, dated application the name and title of the person submitting the application, the name of the legal entity (if applicable), address, e-mail, fax and phone, and describing the particular proposed use or uses for the water. If the commissioner concludes that the proposed use of water is necessary and will not deprive regular consumers of water of the usual supply, he shall issue a permit in writing authorizing the use of water by the applicant upon such conditions and restrictions, appropriate to the circumstances, as he sees fit to impose.

When a fire hydrant is temporarily used to provide water for construction or for filling a truck, a street sweeper, a street sprinkler or a tanker, the amount charged for the water shall be \$83.78 per day. The person seeking temporary water use shall pay the pertinent amount in advance to the Department of Finance. When in the commissioner's judgment the anticipated use will exceed 1,000 cubic feet a day or continue for an extended period, he is authorized to evaluate the quantity of water to be used and assess an appropriate charge. The commissioner is authorized to waive the hydrant charge for work performed for, or on behalf of, the City.

(Prior code § 185-28; Amend Coun. J. 12-12-84, p. 11883; Mayoral veto. 12-18-84, p. 11998; Amend Coun. J. 1-23-85, p. 12937; Amend Coun. J. 4-26-89, p. 425; Amend Coun. J. 6-28-91, p. 2475; Amend Coun. J. 6-23-93, p. 34793; Amend Coun. J. 11-15-95, p. 11995; Amend Coun. J. 11-10-99, p. 14998, § 7.2; Amend Coun. J. 11-17-99, p. 17487, § 7.2; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 11-19-03, p. 14216, § 7.3; Amend Coun. J. 11-13-07, p. 15814, § 1; Amend Coun. J. 12-12-07, p. 17167, § 11; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 5; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 9; Amend Coun. J. 11-16-11, p. 14596, Art. III, § 1; Amend Coun. J. 7-29-15, p. 3537, § 1; Amend Coun. J. 11-16-16, p. 37901, Art. IV, § 3)

11-12-300 Reserved.

Editor's note – Coun. J. 7-29-15, p. 3537, § 1, repealed § 11-12-3070, which pertained to water used in improvements.

11-12-310 Metered service.

The rate for metered water shall be \$30.79 per thousand cubic feet of water as of June 1, 2021, subject to increase pursuant to Section 11-12-315.

Payments shall be made to the department of finance, or its agent, or by any other means established by the department of finance. A late payment penalty assessed at a monthly rate of one and one-fourth percent shall be imposed on all water charges in excess of \$10.00 for which payment in full is not received within 24 calendar days from the date the bill therefor was sent as shown by the records of the department of finance. Where the correctness of a bill is disputed and where complaint of such incorrectness has been made prior to the time a late 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. The late payment penalty established pursuant to this section shall not be imposed upon persons who are 65 years or older, who own and reside in their own residence and who have a separate water meter or water assessment.

All revenues received for payment of water use rates, charges and penalties shall be deposited to the water revenue fund.

(Prior code § 185-31; Amend Coun. J. 12-12-84, p. 11883; Mayoral veto, 12-18-84, p. 11998; Amend Coun. J. 1-23-85, p. 12937; Amend Coun. J. 4-26-89, p. 425; Amend Coun. J. 6-28-91, p. 2475; Amend Coun. J. 6-23-93, p. 34793; Amend Coun. J. 11-15-95, p. 11995; Amend Coun. J. 11-10-99, p. 14998, § 7.2; Amend Coun. J. 11-17-99, p. 17487, § 7.2; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 11-19-03, p. 14216, § 7.4; Amend Coun. J. 12-14-05, p. 66648, § 1; Amend Coun. J. 11-13-07, p. 15814, § 1; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 5; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 9; Amend Coun. J. 11-16-11, p. 14596, Art. III, § 1; Amend Coun. J. 11-8-12, p. 38872, § 204; Amend Coun. J. 10-27-21, p. 39543, Art. VII, § 1)

11-12-315 Inflation adjustment for water rates.

With regard to the rates set forth in the tables contained in Sections 11-12-270, 11-12-280, 11-12-290 and 11-12-310, beginning June 1, 2016, and every year thereafter, the annual rates shall be adjusted upwards, if applicable, by applying to the previous year's rates the rate of inflation, calculated based on the Consumer Price Index – Urban Wage Earners and Clerical Workers (Chicago All Items) published by the United States Bureau of Labor Statistics for the 365-day period ending on the most recent January 1. Any such annual increase, however, shall be capped at 105% of the previous year's rate.

(Added Coun. J. 11-16-11, p. 14596, Art. III, § 1)

11-12-320 Metered billing; estimates for metered service.

City water supplied for other than fire purposes through service pipes controlled by water meter shall be charged and paid for on the basis of the amount registered by such meter, except in cases where it shall be found that such meter is registering incorrectly, has stopped registering, or has not been read before the issuance of the next bill.

In such cases, charge and payment shall be made on an estimate prepared by the Comptroller based on the average of 12 preceding readings of such meter, excluding excessive or deficient readings.

Where such meter has been installed for a lesser period than one year, or where less than 12 competent readings exist, such estimate may be based on a lesser number than 12 readings taken preceding or subsequent to such incorrect or stopped registration. Changed condition of occupancy or use, making for greater or less consumption during such period of incorrect or stopped registration, shall be taken into consideration in the preparation of such estimate.

Once a meter is again read, if it registers the amount of water consumed in the intervening period, the following bill will reflect the actual water consumption, and will account for the estimated consumption for the period between water meter readings. However, if the meter has not been read in 24 consecutive months, through no fault of the person who owns or controls the property, the bills for actual metered water will begin after a billing cycle during which the actual metered amount for the full period is recorded and only reflects that period, that is, without charging for a difference in the estimated and actual amounts for the period prior to the actual metered amount for that billing cycle.

(Prior code § 185-32; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 11-16-11, p. 13798, Art. XII, § 3; Amend Coun. J. 10-27-21, p. 39543, Art. VII, § 2)

ARTICLE V. ASSESSING AND COLLECTING CHARGES (11-12-330 et seq.)

11-12-330 Liability for charges.

The owner or owners of a property, location or address where water or water service is supplied shall be jointly and severally responsible for payment for any water or water service supplied. Upon a determination that any owner did not timely pay his water or sewer charges, the comptroller may institute collection action with the department of administrative hearings by

forwarding a copy of a notice of violation or a notice of hearing, which has been properly served, to the department of administrative hearings. The billing statement, notice of a water service charge or notice of delinquent payment of a water service charge shall be prima facie evidence that the owner identified in the statement or notice shall be liable for such charge and any delinquent payment fee.

(Prior code § 185-33; Amend Coun. J. 3-28-01, p. 55444, § 4; Amend Coun. J. 5-2-01, p. 57409, § 3; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 5; Amend Coun. J. 11-16-11, p. 13798, Art. XII, § 3; Amend Coun. J. 10-28-15, p. 12062, Art. IX, § 3; Amend Coun. J. 11-26-19, p. 11514, Art. V, § 1)

11-12-340 Reserved.

Editor's note – Coun. J. 11-16-16, p. 37901, Art. IV, § 4, reaffirmed the repeal of § 11-12-340, which pertained to metered service – billing. For the original repeal, see Coun. J. 12-2-09, p. 78837, Art. 5, § 5.

11-12-350 Reserved.

Editor's note – Coun. J. 12-8-04, p. 38063, § 1, repealed § 11-12-350, which pertained to metered rowhouses and townhouses – charges – shutoff.

11-12-360 Metered rowhouses and townhouses – Individual meters.

Owners of individual units are authorized to request an individual meter providing the owner modifies the plumbing at his expense in order that a meter can be installed. Remote reading devices are available at the owner's expense. Shutoff of services shall be in accordance with Section 11-12-110.

(Prior code § 185-34.2; Added Coun. J. 11-28-84, p. 11190)

11-12-370 Reserved.

Editor's note – Coun. J. 12-8-04, p. 38063, § 1, repealed § 11-12-370, which pertained to townhouses and similar structures – seller's permit.

11-12-380 Townhouses and similar structures – Right of entry – Owner responsibilities.

The commissioner may deem it necessary to enter private or public property at the owner's expense, for the purpose of correcting violations and/or to protect the public health safety, and welfare. Paraphrasing Sections 11-8-050* and 11-12-040, the owner is responsible for water piping toward the building unit from the shut-off rod box to the furthestmost water outlet. In that meter vaults and vaulted sidewalks are usually on the outlet side of the shut-off rod box, it is, therefore, the owner's responsibility to construct and maintain same and to prevent frost or flood damage resulting therefrom. If the department's expenses are not paid within 30 days from the date of the first notice, the water service may be terminated at owner's expense.

(Prior code § 185-34.4; Added Coun. J. 12-18-84, p. 12090; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 12-8-04, p. 38063, § 1)

* **Editor's note** – Repealed by Coun. J. 3-28-01, p. 55444, § 1.

11-12-390 Townhouses and similar structures – Shared repair expenses.

Where there is incompatibility among owners, trustees, or association members, on individually owned duplexes, townhouses condominiums, cooperatives or similar structures that share a common water service, with or without a meter, and the city is compelled to make repairs or alterations thereon, either on public or private property to protect the public health, safety and welfare the city's expenses will be shared equally by all owners being supplied by said common water service. If after 30 days' written notice one or more owners refuses to reimburse the city for their share of said expenses, the city may terminate, at the owner's expenses, water service to those units that are in arrears.

(Prior code § 185-34.5; Added Coun. J. 12-18-84, p. 12090)

11-12-400 Determination of charges.

All assessments shall be made by the commissioner from reports of regularly qualified field assessors or rate-takers.

(Prior code § 185-35; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 5)

11-12-410 False returns.

Should any field assessor, rate-taker, shutoff man or other employee make false returns as to the width, or height in stories, of building, or as to the number of fixtures therein, or as to the character of the business which by its nature would be assessable under the tariff of rates set forth in this Code, he shall be removed from office according to law.

(Prior code § 185-36)

11-12-420 Payment of charges.

The water rates or charges established under this Code shall be billed in such time periods as established by the comptroller, and shall be added to and separately recited on a unified statement of charges.

A late payment penalty assessed at a monthly rate of one and one-fourth percent shall be imposed on all water charges for which payment in full is not received within 24 calendar days from the date the bill therefor was sent, as shown by the records of the department of finance.

All revenues received for payment of water use rates, charges and penalties shall be deposited to the water revenue fund.

Where the correctness of an inspection on which an assessment is based on or an amount of refund calculated, is disputed, and where, in the case of a late payment penalty, complaint of such correctness has been made within the period 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 remailing of such bill.

The late payment penalty established pursuant to this section shall not be imposed upon persons who are 65 years or older, who own and reside in their own residence and who have a separate water meter or water assessment.

(Prior code § 185-37; Amend Coun. J. 6-28-91, p. 2475; Amend Coun. J. 6-23-93, p. 34793; Amend Coun. J. 12-4-02, p. 99026 § 1.12; Amend Coun. J. 12-14-05, p. 66648, § 1; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 5; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 9; Amend Coun. J. 10-28-15, p. 12062, Art. IX, § 3; Amend Coun. J. 11-16-16, p. 37901, Art. IV, § 5)

11-12-430 Cancelling charges for transitory or portable devices.

Where charges against any premises appear on the books of the department for devices of a transitory or of a portable nature, including hose, hydraulic motors for washing machines, etc., where it may be possible to conceal such devices if inspection is anticipated, such charge may be cancelled upon presentation of an affidavit by the owner, agent or occupant of such premises, such affidavit to be in the form prescribed by the commissioner. The chief water assessor shall then cause an inspection of said premises to be made, and where the result of such inspection verifies the claim made in such affidavit the charge for such hose or device so decreased upon affidavit shall remain cancelled.

In case the result of such inspection indicates that the affidavit was made in an endeavor to escape the payment of water rates or charges which according to the provisions of this chapter should have been paid, then the charge which has been so decreased shall be immediately restored, and a penalty equal to the amount of such charge may be collected. These charges shall become immediately due and payable.

(Prior code § 185-39; Amend Coun. J. 12-4-02, p. 99026, § 1.12)

11-12-440 Reserved.

Editor's note – Coun. J. 11-16-16, p. 37901, Art. IV, § 4, reaffirmed the repeal of § 11-12-440, which pertained to refund because of certain nonuse. For the original repeal, see Coun. J. 12-2-09, p. 78837, Art. 5, § 5.

11-12-450 Reserved.

Editor's note – Coun. J. 3-1-06, p. 71320, § 2, repealed § 11-12-450, which pertained to refund because of vacancy.

11-12-460 Leakage.

No deduction shall be made or rebate allowed to any consumer of water under meter control by or on account of any leakage or alleged leakage in any water pipe, tank or other apparatus or device. The amount of water registered by any meter controlling the water supply to any building, structure or premises, shall be charged and paid for in full, irrespective of whether such water, after having been registered, was lost by leakage, accident or otherwise, except registration of fire meters occasioned by a fire or by evaporation as hereinbefore provided.

(Prior code § 185-42)

11-12-470 Reserved.

Editor's note – Coun. J. 10-28-15, p. 12062, Art. IX, § 3, repealed § 11-12-470, which pertained to cash refunds. Coun. J. 11-16-16, p. 37901, Art. IV, § 4, reaffirmed the repeal of this section. For the original repeal, see Coun. J. 12-2-09, p. 78837, Art. 5, § 5.

11-12-480 Delinquent payments.

(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.

(c) 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(c), the term "charges" shall include the Chicago Water and Sewer Tax imposed by Chapter 3-80 of this Code

(Prior code § 185-44; Amend Coun. J. 3-28-01, p. 55444, § 4; Amend Coun. J. 5-2-01, p. 57409, § 4; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 10-28-15, p. 12062, Art. IX, § 3; Amend Coun. J. 3-16-16, p. 19439, § 1; Amend Coun. J. 9-14-16, p. 29720, § 2)

11-12-483 Suspension of new charges.

(a) Upon the Department's termination of nonmetered water service to any building, structure, or premises, the charges for water service shall be prorated through the date of such termination, and no new charges for water service shall be assessed unless and until water service is restored. A temporary disconnection, such as a disconnection in order to perform necessary repairs or maintenance of water mains or other infrastructure, or in an emergency to allow the property owner to make repairs to the property's plumbing infrastructure, shall not be considered a termination of nonmetered water service.

(b) Assessment of charges shall resume on the date of the restoration of service.

(c) When water service has been restored without authorization of the Commissioner, and no date of restoration can be determined, charges for water service shall resume and shall be charged back to the date of shut-off.

(d) This section shall not be construed to suspend any penalties or fines on any past due amounts.

(Added Coun. J. 11-26-19, p. 11514, Art. V, § 2; Amend Coun. J. 11-24-20, p. 24619, Art. IV, Ch. 1, § 1)

Editor's note – Pursuant to Coun. J. 11-26-19, p. 11514, Art. XV, this section shall take effect on January 1, 2021.

11-12-485 Unauthorized reconnection of cut off water supply.

(a) No person, unless acting under the direction of the commissioner, shall reconnect or turn back on any water supply which has been shut off or withheld by the department. The owner of the building, structure or premises for which the water is supplied, the person in possession, charge or control thereof and any person who reconnects or turns back on the water supply, shall be subject to a \$500.00 fee imposed by the department of water management.

(b) Any person against whom the department imposes a \$500.00 fee pursuant to subsection (a) shall have a right to a hearing to contest the fee, if he or she files a written demand for a hearing within 14 days from the date of notice served by the department assessing the fee. Notice may be served in person or by first class mail. The date of the notice shall be the date notice is delivered, if served in person, or the date notice is deposited in the mail, if served by first class mail. A hearing shall be conducted by the department of administrative hearings within 14 days of receipt of a written demand for a hearing, unless otherwise mutually agreed by the parties. Failure to request or attend a scheduled hearing shall be deemed a waiver of the right to a hearing. A hearing held pursuant to this section shall not determine or otherwise adjudicate liability for any unpaid water rates or charges related to the department's order to shut off or withhold the water supply which was reconnected or turned back on improperly.

(c) Nothing in this section shall be interpreted as prohibiting the department from collecting any cost and expenses incurred as a result of the unauthorized use of the water supply reconnected in violation of this section and also any unpaid water rates, as provided by other applicable law.

(Added Coun. J. 3-28-01, p. 55444, § 5; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 11-8-12, p. 38872, § 205)

11-12-486 Report on water shutoffs.

On or before February 1 of each year, the commissioner and comptroller shall submit a report to the committee on finance and the committee on the budget and government operations concerning water shutoffs for non-payment of delinquent accounts during the prior calendar year. The report shall indicate the number of shutoffs for each of the following types of uses:

- (a) Single-family dwellings;
- (b) Two to 12 unit residential structures;
- (c) More than 12 unit residential structures;
- (d) Combination of residential and commercial structures;
- (e) Commercial structures;
- (f) Industrial structures.

The report shall also indicate, for each type of use, (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.

(Added Coun. J. 6-6-01, p. 59086, § 1; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 5; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 9)

Editor's note – Coun. J. 6-6-01, p. 59086, § 1, provided for inclusion of this new section, to be numbered as § 11-12-485. Because that section already existed, this section has been added as § 11-12-486 at the discretion of the editor.

11-12-490 Enforcement of lien.

When any water taxes, rates or rents assessed or charged, or service charges for installation or disconnection of water service assessed or charged, pursuant to ordinance remain unpaid, in whole or in part, the statutory lien upon the premises or real estate upon or for which the water was used or supplied, or the water service was installed or disconnected, for which such taxes, rates, charges or rents have been assessed or charged, may be enforced in the following manner:

Suit may be commenced as hereinafter provided or a claim for lien in the name of the city shall be filed in the office of the recorder of deeds of Cook County or in the office of registrar of title of Cook County if the property affected is registered under the Torrens system; provided, that at least ten days before the commencement of such suit or the filing of such claim for lien, the city shall have sent a notice by mail, postage prepaid, to the premises upon or for which water was used or supplied, or the water service was installed or disconnected, addressed as follows: "To owner or owners and party or parties interested in the premises at (insert address)", which notice shall state that the city will commence such suit or file such claim for lien if the water taxes, rates, rents or charges which have become due and payable are not paid within ten days from the date of such notice.

The claim for lien shall be verified by affidavit of the comptroller and shall consist of a brief statement of the nature of the claim including: (1) that water was furnished or water service installed or disconnected by the city; (2) a description of the premises or real property sufficient for identification upon or for which the water has been furnished or water service was installed or disconnected; (3) the quantity of water so furnished if registered by meter, or the amount of the charges for the installation or disconnection of the water service; (4) that such water was furnished at rates and charges fixed by assessment or such charges for installation or disconnection of water service were fixed as provided by ordinance if not registered by meter; (5) the amount or amounts of money due therefor; (6) the dates when such amount or amounts became due and payable; and (7) the date of mailing the notice as hereinbefore provided.

(Prior code § 185-45; Amend Coun. J. 3-28-01, p. 55444, § 4; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 5; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 9)

11-12-500 Foreclosure suit.

Suit shall be commenced in the name of the city to enforce its lien by foreclosure proceedings in any court of competent jurisdiction. Any person interested in premises or real estate affected may be made a party defendant to such suit and any judgment, decree, or order of sale of the premises or real estate subject to such lien shall affect only the interests therein of the parties defendant in such suit.

(Prior code § 185-46; Amend Coun. J. 12-4-02, p. 99026, § 1.12)

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 11-12-490 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.

(Prior code § 185-46.1)

11-12-520 Release of lien.

Any claim for lien or suit to enforce the same shall be released, discharged or dismissed upon payment of the water taxes, rate rents or charges for which such claim for lien or suit has been filed, together with all recording charges, court costs and all other expenditures made or incurred by the city in perfecting and enforcing its lien.

(Prior code § 185-46.2)

11-12-530 Certification of payment.

Unless otherwise provided by law or rule, a full payment certificate 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, 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 water or sewer charges and penalties that have accrued to the water account.

(Prior code § 185-46.3; Added Coun. J. 6-20-84, p. 7497; Amend Coun. J. 12-18-84, p. 12088; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 11-13-07, p. 15812, § 1; Amend Coun. J. 11-16-11, p. 13798, Art. XII, § 3; Amend Coun. J. 11-16-16, p. 37901, Art. IV, § 4)

11-12-531 Certificate of payment – Condominiums and townhomes.

1. 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 shall be obtained from the department upon application and payment of an application fee of fifty (50) dollars. 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.

2. Subsequent transfers of a unit within a condominium building: require a certificate of payment based on the last regularly scheduled reading of that building's water meter and shall be issued subject to the same regulations contained in Section 11-12-530.

3. Where a townhome or condominium development has a single meter and the respective association's assessments include the individual owner's share of the water bill, the commissioner may issue a certificate of condo or townhome owner payment upon application and payment of an application fee of fifty (50) dollars.

(Added Coun. J. 12-8-04, p. 38063, § 1; Amend Coun. J. 11-13-07, p. 15812, § 1; Amend Coun. J. 11-16-16, p. 37901, Art. IV, 4)

11-12-540 Exemptions from charges.

(a) The comptroller shall exempt from the payment of water rates the property enumerated in this subsection (a) if the account for such property is controlled by meter, as follows. If the account for such property is not controlled by meter, no exemption shall apply.

(1) Any property of the State of Illinois that is used as an armory by the state or federalized national guard shall be exempt from payment of 100% of the water service charge.

(2) All property owned or leased or occupied by the City of Chicago shall be exempt from payment of 100% of the water service charge, unless said City, either as lessee or lessor, shall enter into an agreement for the payment of rates by the other party.

(3) All property owned or leased or occupied by the Chicago Public Schools shall be exempt from payment of 100% of the water service charge, unless said entity, either as lessee or lessor, shall enter into an agreement for the payment of rates by the other party.

(4) All property owned or leased or occupied by the City Colleges of Chicago shall be exempt from payment of 100% of the water service charge, unless said entity, either as lessee or lessor, shall enter into an agreement for the payment of rates by the other party.

(5) Hospitals located within the corporate limits of the City that are operated by the Cook County government shall be exempt from payment of 100% of the water service charge.

(6) Except as otherwise provided in paragraph (5) of this subsection (a), not-for-profit disproportionate share hospitals located within the corporate limits of the City shall be exempt from payment of 60% of the water service charge in 2012, 40% of the water service charge in 2013, and at least 25% of the water service charge in 2014 and thereafter, if such not-for-profit hospital qualifies for a disproportionate share adjustment consistent with Section 148.120 of Subchapter d of Chapter I of Title 89 of the Illinois Administrative Code, as amended, codified at 89 Ill. Adm. Code § 148.120. Provided, however, that in 2014 and thereafter, if such disproportionate share hospital has net assets or fund balances of:

(i) Less than One Million Dollars (\$1,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such disproportionate share hospital shall be exempt from payment of 100% of the water service charge:

(ii) One Million Dollars (\$1,000,000.00) or more but less than Ten Million Dollars (\$10,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such disproportionate share hospital shall be exempt from payment of 60% of the water service charge.

(7) Public museums shall be exempt from payment of 20% of the water service charge, if such public museum is eligible to receive funds for capital development under subdivision (7) of § 1-25 of the Department of Natural Resources Act, as amended, codified at 20 ILCS 801/1-1 et seq.

(8) Not-for-profit organizations as defined in subparagraph (8)(v) of this subsection (a), other than any entity identified in paragraphs (1) through (7) of this subsection (a), that adopt a water conservation plan and perform within the corporate limits of the city charitable work benefiting the public shall be exempt in 2013 and thereafter from payment of the water service charge for water supplied to premises owned and used and occupied exclusively by such not-for-profit organization, as follows:

(i) If the not-for-profit organization has net assets or fund balances of less than One Million Dollars (\$1,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 100% of the water service charge;

(ii) If the not-for-profit organization has net assets or fund balances of One Million Dollars (\$1,000,000.00) or more but less than Ten Million Dollars (\$10,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 60% of the water service charge;

(iii) If the not-for-profit organization has net assets or fund balances of Ten Million Dollars (\$10,000,000.00) or more but less than Two Hundred Fifty Million Dollars (\$250,000,000.00) at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be exempt from payment of 25% of such water service charge;

(iv) If the not-for-profit organization has net assets or fund balances of Two Hundred Fifty Million Dollars (\$250,000,000.00) or more at the end of the tax year or calendar year immediately preceding the calendar year in which the exemption from payment of the water service charge is being claimed, such not-for-profit organization shall be not be* entitled to any exemption from payment of the water service charge and shall be required to pay 100% of the water service charge.

* Editor's - As set forth in Coun. J. 5-8-13, p. 52764, § 1. Intended text is "shall not be." Future legislation will correct the provision if needed.

(v) As used in this paragraph (8), the term "not-for-profit organization" means an Illinois corporation organized and existing under the General Not For Profit Corporation Act of 1986 in good standing with the State and having been granted status as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986.

(b) (1) The supply to all premises enumerated in this section on which water may be taken from the waterworks system of the City of Chicago shall be controlled by meter, and the cost of meter, its installation, connections and vaults thereof, and the erection, construction and maintenance thereof shall be paid for and be borne by the institution or owner thereof. Nothing contained in this paragraph shall be held to exempt property of the United States, of the State of Illinois, or of any of its political subdivisions except as hereinbefore mentioned.

(2) If, at the determination of the City, a vault is required to be built on the public right of way prior to the installation of a water meter at a location owned by a not-for-profit organization as defined in subparagraph (8)(v) of subsection (a) of this section, and such not-for-profit organization demonstrates to the satisfaction of the comptroller that the organization will suffer undue financial hardship if the organization is required to pay the costs associated with installing the vault and water meter, including any additional costs that may be incurred by the City in connection with the excavation of the associated structure, the comptroller may enter into a written installment plan agreement with such not-for-profit organization allowing the organization to pay such costs over an extended period of time in substantially equal installments. Failure to comply with the terms of the

installment plan agreement may result, if applicable, in loss of the not-for-profit organization's exemption under paragraph (8) of subsection (a) of this section from payment of the water service charge.

Each installment plan shall be in a form prescribed by the comptroller, and shall state the organization's total indebtedness to the City for such costs, the amount of the initial installment, the amount of each subsequent installment, the date by which each installment is due, the penalty for delinquency under the installment plan, and such other provisions as the comptroller may require. Provided, however, that the comptroller may deny any application where it is determined that the applicant has committed fraud or has failed to make a good faith effort to comply with this section. Any recommendation, action or decision of the comptroller regarding the existence of financial hardship or the financial hardship process shall be within the sole discretion of the comptroller. Nothing in this subsection (b)(2) shall be construed to prohibit a not-for-profit organization from voluntarily making an initial minimum payment or monthly installment payment in an amount greater than provided in the installment plan agreement.

As used in this subsection (b)(2), the term "comptroller" means the comptroller of the City of Chicago or the comptroller's designee.

(c) The comptroller may fix such reasonable amounts of water as the comptroller, following consultation with the commissioner of water management, may deem to be sufficient for the requirements of said premises, and the exemption from payment of water rates shall be limited to said reasonable amounts so fixed. All use of water in excess of said reasonable amounts shall be paid for at the rates for metered water hereinafter fixed in Section 11-12-310.

(d) Accounts against the property of any entity exempted under the provisions of items (1), (2), (3), (4), (5), (6), (7) or (8) of subsection (a) of this section shall be kept in the usual manner. Upon receipt of the initial application for such exemption, such account, which shall be metered, shall be inspected by authorized personnel from the department of water management, who shall certify to the comptroller whether the entity so inspected is eligible for the exemption under this section being claimed by such entity.

(Prior code § 185-47; Amend Coun. J. 12-4-02, p. 99026, § 1.12; Amend Coun. J. 12-14-05, p. 66648, § 1; Amend Coun. J. 11-16-11, p. 13798, Art. VIII, § 3; Amend Coun. J. 11-8-12, p. 38872, § 206; Amend Coun. J. 5-8-13, p. 52764, § 1)

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.

(c) *Definitions.* For purposes of this section, the following definitions shall apply:

"Anniversary Date" means the date one year from a Participant's enrollment in the UBR.

"Comptroller" means the Comptroller of the City of Chicago, or the Comptroller's designee.

"Homeowner" means the Owner and occupant of a single family or two-unit residence located in the City of Chicago.

"LIHEAP" means the Low Income Home Energy Assistance Program, codified at 42 U.S.C. § 8621-8630.

"Participant" means a participant in the UBR.

"Reduced Rate" means a 50% reduction in the ordinary charges for water service imposed in Chapter 11-12, sewer service imposed in Chapter 3-12, and a corresponding reduction in the Chicago Water and Sewer Tax imposed in Chapter 3-80. Reduced Rate does not include the charge for refuse collection imposed in Article II of Chapter 7-28.

"UBR" means the Utility Billing Relief Program created by this section.

(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.

(3) *Successful completion.* A Participant who has made payment for all Reduced Rate bills issued by the City during the UBR by the Anniversary Date shall have any past due balance incurred before enrollment in the UBR forgiven. A successful Participant who continues to meet enrollment eligibility requirements may re-enroll in the UBR.

(4) *Unsuccessful completion.* A Participant who has not made payment for all Reduced Rate bills issued by the City during the UBR by the Anniversary Date shall have any past due balance, including penalties and interest, incurred before enrollment in the UBR reinstated to the Participant's account, in addition to any past due balance incurred during the UBR, and the Participant shall be required to make full payment of such past due balance. Such past due balance shall not have incurred any additional penalties or interest during participation in the UBR. The Participant may be eligible to participate in a payment plan to resolve the outstanding debt. If all criteria are met, an unsuccessful Participant may be eligible to re-enroll in the UBR, provided that the Participant has not been unsuccessful in completing the UBR on two occasions.

(e) *Rules.* The Comptroller is authorized to adopt such rules as the Comptroller may deem necessary for the proper implementation, administration, and enforcement of this section.

(f) In furtherance of administering this section, the Comptroller shall have the authority to enter into an agreement with the Community and Economic Development Association of Cook County ("CEDA"), or any successor agency that administers the LIHEAP in Cook County, to administer outreach and enrollment activity for the UBR. Such agreement may contain terms and conditions that the Comptroller deems appropriate, and the Comptroller shall have the authority to perform any and all acts as shall be necessary or advisable in connection with such agreement and any renewals thereto, including the expenditure of duly appropriated funds.

(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.

(Added Coun. J. 11-26-19, p. 11514, Art. V, § 3; Amend Coun. J. 10-27-21, p. 40504, Art. III, § 1)

Editor's note – Pursuant to Coun. J. 11-26-19, p. 11514, Art. XV, this section shall take effect on April 1, 2020. Coun. J. 11-26-19, p. 11514, Art. V, § 3, added this section as § 11-12-550. Because that section already existed, this section has been added as § 11-12-545 at the discretion of the editor.

ARTICLE VII. ENFORCEMENT OF CHAPTER PROVISIONS (11-12-620 et seq.)

11-12-620 Administrative powers and duties.

The commissioner, or any employee he may designate for that purpose, shall enforce the provisions of this chapter, and for that purpose shall be qualified as a special police officer in accordance with the ordinances of the city.

The commissioner is authorized to promulgate from time to time such rules and regulations as may be necessary to carry out the provisions of this chapter.

(Prior code § 185-55; Amend Coun. J. 12-4-02, p. 99026, § 1.12)

11-12-630 Violation – Penalty.

Any person who shall violate any of the provisions of this chapter other than those dealing with the use of space in water tunnels, where no other penalty is specifically provided, shall be fined not less than \$5.00 nor more than \$200.00 for each offense; and the cutting off of the water supply to any premises, or the forfeiture of water rates paid, or the imposition of any liability or expense herein otherwise provided, for or on account of any violation of any of the aforesaid provisions of this chapter, shall not be held to exempt any such person from the penalty herein provided.

(Prior code § 185-56)

CHAPTER 3-12

SEWER REVENUE FUND

3-12-010 Fund established.

3-12-020 Charge for sewer service and use of sewerage system.

3-12-030 Unified statement of charges.

3-12-035 Past due accrued charges.

3-12-040 Delinquent charges to be lien on premises.

3-12-050 Senior citizens exempted when.

3-12-060 Charges to nonresident users.

3-12-070 Late payment penalty.

3-12-080 City's authority not limited.

3-12-010 Fund established.

A separate fund is hereby established designated the sewer revenue fund which shall be supported by sewer usage fees established from time to time by the city council. The revenues of the sewer revenue fund shall be reserved and utilized exclusively for the operation, maintenance, rehabilitation or reconstruction of the sewer system of the City of Chicago.

For the purposes of this chapter, the sewer system of the City of Chicago includes (a) all city-owned sewers, sewer structures, and drains in any public way or public place in the city; and (b) any private drain, house sewer or other sewer structure connected to a residential building of four or fewer units, from the point where the private drain, house sewer or other sewer structure crosses the property line to the point where it connects to the city-owned sewer.

(Prior code § 185.1-1; Amend Coun. J. 12-12-01, p. 75777, § 6.1)

3-12-020 Charge for sewer service and use of sewerage system.

(a) A charge for sewer service and use of the sewerage system of the City of Chicago is hereby established. The charge shall be an amount equal to the percentage set forth in the below Table, of the amount charged for water service pursuant to Chapter 11-12 of this Code, whether such water service is metered or otherwise. Provided, however, that:

(1) property of the State of Illinois which is exempt from payment of a water service charge pursuant to subsection (a)(1) of Section 11-12-540 shall be exempt from payment of the first \$500.00 charge for sewer service per semiannual billing period;

(2) property of the City of Chicago which is exempt from payment of a water service charge pursuant to subsection (a)(2) of Section 11-12-540 shall be exempt from payment of 100% of the charge for sewer service;

(3) property of the Chicago Public Schools which is exempt from payment of a water service charge pursuant to subsection (a)(3) of Section 11-12-540 shall be exempt from payment of 100% of the charge for sewer service;

(4) property of the City Colleges of Chicago which is exempt from payment of a water service charge pursuant to subsection (a)(4) of Section 11-12-540 shall be exempt from payment of the first \$500.00 charge for sewer service per semiannual billing period;

(5) property of hospitals which is exempt from payment, in whole or in part, from payment of a water service charge pursuant to subsections (a)(5) or (a)(6) of Section 11-12-540 shall be exempt from payment of the first \$500.00 charge for sewer service per semiannual billing period;

(6) property of public museums which is exempt from payment of a water service charge pursuant to subsection (a)(7) of Section 11-12-540 shall be exempt from payment of the first \$500.00 charge for sewer service per semiannual billing period; and

(7) Property of not-for-profit organizations which is exempt from payment of a water service charge pursuant to subsection (a)(8) of Section 11-12-540 shall be exempt from payment of the first \$500 charge for sewer service per semiannual billing period.

| 2011 | 2012 | 2013 | 2014 | 2015 |
|------|------|------|------|------|
| 86% | 89% | 92% | 96% | 100% |

A late payment penalty assessed at a monthly rate of one and one-quarter percent shall be imposed on all sewer usage fees billed after November 1, 1991 for which payment in full is not received within 24 calendar days from the date the bill therefor was sent, as shown by the records of the department of finance. Where the correctness of a bill 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.

The late payment penalty established pursuant to this section shall not be imposed upon persons who are 65 years or older, who own and reside in their own residence and who have a separate water meter or water assessment.

(b) Those furnished with sewer service only and not connected with, or supplied with water from, the city water supply system shall pay an annual sewer service fee based upon a calculated estimate of the volume of use at the rate established in subsection (a) hereof.

(c) Those furnished with water service only and not connected with or supplied with sewer service by the city's sewer system shall pay only the water rates and charges established by Chapter 11-12 of this Code.

(d) Nothing contained in this section shall be deemed to limit the authority of the City of Chicago to negotiate or fix rates, by contract, for users of sewer service outside the City of Chicago.

(e) The commissioner of water management is authorized to waive any sewer usage fee and accrued late payment penalty assessed or charged against any property owned or leased by the City of Chicago but only to the extent and duration of the city's use of the sewer connection.

(Prior code § 185.1-2; Amend Coun. J. 9-6-84, p. 9023; 12-12-84; 7-9-85, p. 18646; 5-11-88, p. 13418; 4-26-89 p. 425; 6-28-91, p. 2475; 6-23-93, p. 34793; 12-15-93, 43732; 11-15-95, p. 11995; Amend Coun. J. 11-10-99, p. 14998, § 5.1; Amend Coun. J. 11-17-99, p. 17487, § 5.1; Amend Coun. J. 12-12-01, p. 75777, § 6.2; Amend Coun. J. 12-4-02, p. 99026, § 1.6; Amend Coun. J. 11-13-07, p. 15814, § 1; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 3; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 3; Amend Coun. J. 11-16-11, p. 13798, Art. VIII, § 3; Amend Coun. J. 11-16-11, p. 14596, Art. III, § 1)

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 and shall be subject to section 11-12-1806 (X) (1).

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 shall enforce the provisions of this section; 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.

(Prior code § 185.1-3; Amend Coun. J. 11-10-99, p. 14998, § 5.1; Amend Coun. J. 11-17-99, p. 17487, § 5.1; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 3; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 3; Amend Coun. J. 10-28-15, p. 12062, Art. IX, § 1)

3-12-035 Past due accrued charges.

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, including right to a lien on the subject property.

(Added Coun. J. 3-28-01, p. 55444, § 3; Amend Coun. J. 5-2-01, p. 57409, § 2; Amend Coun. J. 12-4-02, p. 99026, § 1.6; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 3)

3-12-040 Delinquent charges to be lien on premises.

Charges for sewer service 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 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 mail 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. The comptroller shall execute releases of such liens on behalf of the city upon receipt of payment thereof.

(Prior code § 185.1-4; Amend Coun. J. 12-2-09, p. 78837, Art. 5, § 3; Amend Coun. J. 11-16-11, p. 13798, Art. I, § 3)

3-12-050 Senior citizens exempted when.

(a) Persons aged 65 or over, residing in their own residence with separate metered water service or a separate City water assessment for that residential unit, shall be exempt from payment of the sewer service charge for their residence. This exemption shall apply regardless of whether the person is in arrears in the payment of any refuse collection, water or sewer charges for the subject residence.

(b) Persons aged 65 or over who reside in their own residence but do not qualify for an exemption under subsection (a) because their residence is a townhouse, condominium unit or cooperative apartment that does not have separate metered water service or a separate City water assessment for the residential unit may apply for a refund in lieu of exemption pursuant to this subsection. The amount of such refund shall be \$50.00 per qualified residence for each calendar year.

Application for a refund in lieu of exemption shall be made to the City Comptroller no later than August 1st of the calendar year for which a refund is requested. The application shall be made on a form prescribed by the Comptroller and shall include such affidavits or other reasonable proof of qualifications for a refund that the

Comptroller may require. If the Comptroller approves the refund, the Comptroller shall promptly pay the applicant a refund in the amount of \$50.00.

(c) Persons residing in residences qualified for an exemption or refund under this section shall qualify for the exemption or refund by the submission of a copy of the applicant's birth certificate, or the applicant's driver's license, state-issued identification card or the Matricula Consular identification card specified in Section 2-160-065 of the Code, showing the applicant is aged 65 or over; proof of their qualification for homeowners exemption; and proof of residency. The acceptable document to prove residency shall be a copy of a utility bill for the residence. Acceptable documents to prove home ownership shall be a copy of: (i) the deed to the residence, (ii) property tax bill, or (iii) with regard to a residence held in trust, a declaration executed by the trustee, affirming that the residence is held in trust and that the trust gives the named applicant the right to occupy the residence. In lieu of the forms of proof specified in this paragraph (c), the Comptroller is authorized to accept alternative forms of proof that in the Comptroller's judgment are genuine and probative of the information sought. The Comptroller shall provide information regarding the process for obtaining an exemption or refund, and the associated forms, in Spanish as well as English.

(d) If the Comptroller's processing of a full payment certificate for a given property serves to terminate any senior exemption applicable to that property, the Comptroller shall send written notification of such termination to the address at issue.

(Prior code § 185.1-5; Amend Coun. J. 11-22-91, p. 9167; 7-29-92, p. 19276; Amend Coun. J. 11-5-14, p. 93548, § 1; Amend Coun. J. 10-28-15, p. 12062, Art. IX, § 1; Amend Coun. J. 11-26-19, p. 11390, Art. X, § 2)

3-12-060 Charges to nonresident users.

Effective January 1, 2011 and in subsequent years, a monthly charge for sewer service and use of the sewerage system of the city is hereby established for nonresident users at premises located outside of the corporate limits of the city who discharge sewage, by direct or indirect connection, into the city's sewer system. The monthly charge shall be an amount determined as follows, effective January 1 of the year indicated:

| <i>Size of Connection</i> | <i>2011 Monthly Rate</i> | <i>2012 Monthly Rate</i> | <i>2013 Monthly Rate</i> | <i>2014 Monthly Rate</i> | <i>2015 Monthly Rate</i> |
|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>Size of Connection</i> | <i>2011 Monthly Rate</i> | <i>2012 Monthly Rate</i> | <i>2013 Monthly Rate</i> | <i>2014 Monthly Rate</i> | <i>2015 Monthly Rate</i> |
| 6 inches or less | \$11.03 | \$14.27 | \$16.96 | \$20.35 | \$24.38 |
| 8 inches | \$41.3* | \$53.43 | \$63.51 | \$76.21 | \$91.30 |
| 10 inches | \$64.24 | \$83.10 | \$98.79 | \$118.55 | \$142.01 |
| 12 inches | \$91.77 | \$118.71 | \$141.12 | \$169.35 | \$202.86 |
| 15 inches | \$144.54 | \$186.98 | \$222.27 | \$266.73 | \$319.52 |
| 18 inches | \$206.48 | \$267.10 | \$317.52 | \$381.03 | \$456.44 |
| 21 inches | \$282.2* | \$365.06 | \$433.96 | \$520.76 | \$623.82 |
| 24 inches | \$367.1* | \$474.88 | \$564.52 | \$677.43 | \$811.50 |
| 27 inches | \$465.75 | \$602.50 | \$716.23 | \$859.47 | \$1,029.57 |
| 30 inches | \$573.58 | \$741.99 | \$882.05 | \$1,058.46 | \$1,267.94 |
| 33 inches | \$695.18 | \$899.29 | \$1,069.04 | \$1,282.85 | \$1,536.75 |
| 36 inches | \$825.96 | \$1,068.47 | \$1,270.15 | \$1,524.18 | \$1,825.85 |
| 42 inches | \$1,124.22 | \$1,454.30 | \$1,728.82 | \$2,074.58 | \$2,485.17 |
| 48 inches | \$1,468.37 | \$1,899.49 | \$2,258.05 | \$2,709.65 | \$3,245.94 |

| | | | | | |
|-----------|------------|------------|------------|------------|------------|
| 54 inches | \$1,858.41 | \$2,404.05 | \$2,857.85 | \$3,429.41 | \$4,108.15 |
| 60 inches | \$2,294.32 | \$2,967.94 | \$3,528.18 | \$4,233.82 | \$5,071.76 |
| 66 inches | \$2,776.14 | \$3,591.23 | \$4,269.12 | \$5,122.95 | \$6,136.86 |
| 72 inches | \$3,303.83 | \$4,273.85 | \$5,080.60 | \$6,096.72 | \$7,303.36 |

* **Editor's note** – As set forth in Coun. J. 11-16-11, p. 14596, Art. III, § 1. Future legislation will correct the provision if needed.

Beginning June 1, 2016, and every year thereafter, the annual rates shall be adjusted upwards, if applicable, by applying to the previous year's rates the rate of inflation, calculated based on the Consumer Price Index – Urban Wage Earners and Clerical Workers (Chicago All Items) published by the United States Bureau of Labor Statistics for the 365-day period ending on the most recent January 1. Any such annual increase, however, shall be capped at 105% of the previous year's rate. The above schedule of charges shall apply to direct connections, which directly link the subject property to the city's sewer system, and to indirect connections, which link the subject property to the city's sewer system through an intervening pipe or set of pipes that themselves are not part of the city's sewer system. In applying the above schedule of charges, the amount due for a single connection to the city's sewer system (whether a direct connection or an indirect connection) serving two or more buildings shall be the product of the applicable rate for the size of the pipe at said connection multiplied by the number of individual buildings discharging through said connection.

(Added Coun. J. 12-12-01, p. 75777, § 6.3; Amend Coun. J. 11-5-03, p. 10352, § 1; Amend Coun. J. 12-15-04, p. 39833, § 1; Amend Coun. J. 12-15-04, p. 39840, § 1; Amend Coun. J. 11-13-07, p. 15814, § 1; Amend Coun. J. 11-16-11, p. 14596, Art. III, § 1)

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(c). 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. 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 shall enforce the provisions of this section; 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.

EXHIBIT 5

City of Chicago, Dept of Water
Rate Analysis Reduction Report
From 01-JAN-2017 Through 01-JAN-2018

| Rate | Description/Exemption Amounts | Metered Non-Metered | # of Accounts Charged | WT Charge | WT Reduction | Total Water Charge 2017 | SW Charge | SW Reduction | Total Sewer Charge 2017 |
|-------|--|---------------------|-----------------------|------------------|--------------------|-------------------------|------------------|--------------------|-------------------------|
| CH | Charitable | Metered | 88 | \$ 475,635.20 | \$ (475,635.20) | \$ 641,131,325.59 | \$ 512,526.60 | \$ (33,213.58) | \$ 277,810,553.10 |
| | 100% Water Exemption / \$1,000 Annual Sewer Credit | Metered | | | | | | | |
| total | | | | \$ 475,635.20 | \$ (475,635.20) | | \$ 512,526.60 | \$ (33,213.58) | |
| NP | Not for Profit | Metered | 3,434 | \$ 7,860,870.99 | \$ (4,900,737.96) | \$ 641,131,325.59 | \$ 7,984,401.41 | \$ (1,583,607.24) | \$ 277,810,553.10 |
| | 100% between <\$1M / \$1,000 Annual Sewer Credit | | | | | | | | |
| | 60% between \$1M and \$10M / \$1,000 Annual Sewer Credit | | | | | | | | |
| | 25% between \$10M and \$250M / \$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 7,860,870.99 | \$ (4,900,737.96) | | \$ 7,984,401.41 | \$ (1,583,607.24) | |
| JP | Not for Profit | Metered | 45 | \$ 480,971.57 | \$ (96,191.89) | \$ 641,131,325.59 | \$ 476,657.56 | \$ (19,994.33) | \$ 277,810,553.10 |
| | 20% Water Exemption / \$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 480,971.57 | \$ (96,191.89) | | \$ 476,657.56 | \$ (19,994.33) | |
| PK | Park | Metered | 765 | \$ 7,642,486.89 | \$ (7,600,389.57) | \$ 641,131,325.59 | \$ 7,599,820.99 | | \$ 277,810,553.10 |
| | 100% Water Exemption / No Sewer Credit | | | | | | | | |
| total | | | | \$ 7,642,486.89 | \$ (7,600,389.57) | | \$ 7,599,820.99 | | |
| PU | Public | Metered | 2,504 | \$ 6,716,918.29 | \$ (6,716,918.29) | \$ 641,131,325.59 | \$ 6,715,139.97 | \$ (6,715,139.97) | \$ 277,810,553.10 |
| | 100% Water Exemption / 100% Sewer Exemption | Non-Metered | 8 | \$ - | \$ - | \$ 109,761,645.72 | \$ - | \$ - | \$ 91,118,315.28 |
| total | | | | \$ 6,716,918.29 | \$ (6,716,918.29) | | \$ 6,715,139.97 | \$ (6,715,139.97) | \$ 368,928,868.38 |
| N | Senior Exemption | Both | 66,995 | \$ 25,919,114.83 | \$ - | \$ 750,892,971.31 | \$ 25,919,114.83 | \$ (25,919,114.83) | \$ 277,810,553.10 |
| | No Water Exemption/100% SW Exemption | | | | | | | | \$ 91,118,315.28 |
| | *using a blended water rate 5:7 | | | \$ 25,919,114.83 | \$ - | \$ 750,892,971.31 | \$ 25,919,114.83 | \$ (25,919,114.83) | \$ 368,928,868.38 |
| total | | | | \$ 49,095,997.77 | \$ (19,789,872.91) | \$ 750,892,971.31 | \$ 49,207,661.36 | \$ (34,271,069.95) | \$ 368,928,868.38 |

City of Chicago, Dept of Water
Rate Analysis Reduction Report
From 01-JAN-2018 Through 01-JAN-2019

7-Jan-19

| Rate | Description/Exemption Amounts | Metered Non-Metered | # of Accounts Charged | WT Charge | WT Reduction | Total Water Charge 2018 | SW Charge | SW Reduction | Total Sewer Charge 2018 |
|-------|--|----------------------------------|-----------------------|------------------|--------------------|-------------------------|------------------|--------------------|-------------------------|
| H | Charitable | Metered | 84 | \$ 338,463.34 | \$ (338,463.34) | \$ 658,677,238.81 | \$ 338,910.52 | \$ (31,482.65) | |
| | 100% Water Exemption / \$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 338,463.34 | \$ (338,463.34) | | \$ 338,910.52 | \$ (31,482.65) | \$ 287,354,099.99 |
| IP | Not for Profit | Metered | 3,391 | \$ 7,950,313.25 | \$ (5,015,799.26) | \$ 658,677,238.81 | \$ 7,951,985.22 | \$ (1,578,365.63) | |
| | 100% between <\$1M /\$1,000 Annual Sewer Credit | | | | | | | | |
| | 60% between \$1M and \$10M/\$1,000 Annual Sewer Credit | | | | | | | | |
| | 25% between \$10M and \$250M/\$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 7,950,313.25 | \$ (5,015,799.26) | | \$ 7,951,985.22 | \$ (1,578,365.63) | \$ 287,354,099.99 |
| IT | Not for Profit | Metered | 42 | \$ 446,816.92 | \$ (89,393.91) | \$ 658,677,238.81 | \$ 442,794.41 | \$ (18,995.60) | |
| | 20% Water Exemption / \$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 446,816.92 | \$ (89,393.91) | | \$ 442,794.41 | \$ (18,995.60) | \$ 287,354,099.99 |
| K | Park | Metered | 765 | \$ 6,922,459.99 | \$ (6,922,473.83) | \$ 658,677,238.81 | \$ 6,922,469.88 | | |
| | 100% Water Exemption / No Sewer Credit | | | | | | | | |
| total | | | | \$ 6,922,459.99 | \$ (6,922,473.83) | | \$ 6,922,469.88 | | \$ 287,354,099.99 |
| U | Public | Metered | 2,517 | \$ 6,774,197.74 | \$ (6,774,954.10) | \$ 658,677,238.81 | \$ 6,771,175.02 | \$ (6,772,114.53) | \$ 287,354,099.99 |
| | 100% Water Exemption / 100% Sewer Exemption | Non-Metered | 6 | \$ - | \$ - | \$ 101,760,258.52 | \$ - | \$ - | \$ 83,996,484.51 |
| total | | | | \$ 6,774,197.74 | \$ (6,774,954.10) | \$ 760,437,497.33 | \$ 6,771,175.02 | \$ (6,772,114.53) | \$ 371,350,584.50 |
| N | Senior Exemption | Both | 66,982 | \$ 25,604,216.19 | \$ - | \$ 658,677,238.81 | \$ 25,604,216.19 | \$ (25,604,216.19) | |
| | No Water Exemption/100% SW Exemption | * using a blended water rate 5:7 | | \$ 25,604,216.19 | \$ - | \$ 760,437,497.33 | \$ 25,604,216.19 | \$ (25,604,216.19) | \$ 371,350,584.50 |
| total | | | | \$ 48,036,467.43 | \$ (19,141,084.44) | \$ 760,437,497.33 | \$ 48,031,551.24 | \$ (34,005,174.60) | \$ 371,350,584.50 |

D 021255

1-Jan-20
City of Chicago, Dept of Water
Rate Analysis Reduction Report
From 01-JAN-2019 Through 01-JAN-2020

| Rate | Description/Exemption Amounts | Metered Non-Metered | # of Accounts Charged | WT Charge | WT Reduction | Total Water Charge 2019 | SW Charge | SW Reduction | Total Sewer Charge 2019 |
|-------|--|---------------------------------|-----------------------|------------------|--------------------|-------------------------|------------------|--------------------|-------------------------|
| H | Charitable | Metered | 86 | \$ 1,422,174.79 | \$ (1,422,174.79) | \$ 645,901,931.97 | \$ 1,176,732.30 | \$ (30,662.25) | \$ 283,416,498.64 |
| | 100% Water Exemption / \$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 1,422,174.79 | \$ (1,422,174.79) | | \$ 1,176,732.30 | \$ (30,662.25) | \$ 283,416,498.64 |
| P | Not for Profit | Metered | 3,385 | \$ 7,295,746.94 | \$ (4,471,086.68) | \$ 645,901,931.97 | \$ 7,257,368.02 | \$ (1,540,010.06) | \$ 283,416,498.64 |
| | 100% between <\$1M/\$1,000 Annual Sewer Credit | | | | | | | | |
| | 60% between \$1M and \$10M/\$1,000 Annual Sewer Credit | | | | | | | | |
| | 25% between \$10M and \$250M/\$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 7,295,746.94 | \$ (4,471,086.68) | | \$ 7,257,368.02 | \$ (1,540,010.06) | \$ 283,416,498.64 |
| T | Not for Profit | Metered | 42 | \$ 426,544.01 | \$ (85,357.54) | \$ 645,901,931.97 | \$ 422,106.59 | \$ (18,700.26) | \$ 283,416,498.64 |
| | 20% Water Exemption / \$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 426,544.01 | \$ (85,357.54) | | \$ 422,106.59 | \$ (18,700.26) | \$ 283,416,498.64 |
| Q | Park | Metered | 757 | \$ 6,750,991.97 | \$ (6,642,873.77) | \$ 645,901,931.97 | \$ 6,617,402.23 | | \$ 283,416,498.64 |
| | 100% Water Exemption / No Sewer Credit | | | | | | | | |
| total | | | | \$ 6,750,991.97 | \$ (6,642,873.77) | | \$ 6,617,402.23 | | \$ 283,416,498.64 |
| J | Public | Metered | 2,513 | \$ 6,475,187.91 | \$ (6,475,187.91) | \$ 645,901,931.97 | \$ 6,474,471.72 | \$ (6,474,176.03) | \$ 283,416,498.64 |
| | 100% Water Exemption / 100% Sewer Exemption | Non-Metered | 7 | \$ 6,475,187.91 | \$ (6,475,187.91) | \$ 99,190,429.74 | \$ - | \$ - | \$ 81,726,742.84 |
| total | | | | \$ 6,475,187.91 | \$ (6,475,187.91) | | \$ 6,474,471.72 | \$ (6,474,176.03) | \$ 365,143,241.48 |
| V | Senior Exemption | Both | 66,889 | \$ 17,057,171.22 | \$ - | \$ 745,092,361.71 | \$ 17,057,171.22 | \$ (17,057,171.22) | \$ 365,143,241.48 |
| | No Water Exemption/100% SW Exemption | *using a blended water rate 5:7 | | | | | | | |
| total | | | | \$ 17,057,171.22 | | \$ 745,092,361.71 | \$ 17,057,171.22 | \$ (17,057,171.22) | \$ 365,143,241.48 |
| total | | | | \$ 39,427,816.84 | \$ (19,096,680.69) | \$ 745,092,361.71 | \$ 39,005,252.08 | \$ (25,120,719.82) | \$ 365,143,241.48 |

City of Chicago, Dept of Water
Rate Analysis Reduction Report
From 01-JAN-2020 Through 01-JAN-2021

| ate | Description/Exemption Amounts | Metered Non-Metered | # of Accounts Charged | WT Charge | WT Reduction | Total Water Charges 2020 | SW Charge | SW Reduction | Total Sewer Charges 2020 |
|------|--|---------------------------------|-----------------------|------------------|--------------------|--------------------------|------------------|--------------------|--------------------------|
| H | Charitable | Metered | 84 | \$ 598,278.32 | \$ (598,278.32) | \$ 647,924,849.96 | \$ 598,421.70 | \$ (30,241.79) | \$ 269,532,145.67 |
| ital | 100% Water Exemption / \$1,000 Annual Sewer Credit | Metered | | \$ 598,278.32 | \$ (598,278.32) | | \$ 598,421.70 | \$ (30,241.79) | \$ 269,532,145.67 |
| P | Not for Profit | Metered | 3,526 | \$ 7,094,532.25 | \$ (4,251,879.32) | \$ 647,924,849.96 | \$ 7,098,649.63 | \$ (1,359,023.06) | \$ 269,532,145.67 |
| | 100% between <\$1M/\$1,000 Annual Sewer Credit | | | | | | | | |
| | 50% between \$1M and \$10M/\$1,000 Annual Sewer Credit | | | | | | | | |
| | 25% between \$10M and \$250M/\$1,000 Annual Sewer Credit | | | \$ 7,094,532.25 | \$ (4,251,879.32) | \$ 647,924,849.96 | \$ 7,098,649.63 | \$ (1,359,023.06) | \$ 269,532,145.67 |
| ital | | | | | | | | | |
| T | Not for Profit | Metered | 42 | \$ 392,444.22 | \$ (78,496.69) | | \$ 387,526.07 | \$ (16,168.57) | \$ 269,532,145.67 |
| | 20% Water Exemption / \$1,000 Annual Sewer Credit | | | | | | | | |
| ital | | | | \$ 392,444.22 | \$ (78,496.69) | | \$ 387,526.07 | \$ (16,168.57) | \$ 269,532,145.67 |
| | | | | | | | | | |
| C | Park | Metered | 759 | \$ 4,082,492.42 | \$ (4,082,492.42) | | \$ 4,082,492.42 | | \$ 269,532,145.67 |
| | 100% Water Exemption / No Sewer Credit | | | | | | | | |
| ital | | | | \$ 4,082,492.42 | \$ (4,082,492.42) | | \$ 4,082,492.42 | | \$ 269,532,145.67 |
| J | Public | Metered | 2,504 | \$ 5,942,852.63 | \$ (5,943,576.23) | \$ 647,924,849.96 | \$ 5,942,340.51 | \$ (5,943,229.69) | \$ 269,532,145.67 |
| | 100% Water Exemption / 100% Sewer Exemption | Non-Metered | 7 | | \$ - | \$ 84,186,227.29 | \$ - | | \$ 70,046,669.07 |
| ital | | | | \$ 5,942,852.63 | \$ (5,943,576.23) | \$ 732,111,077.25 | \$ 5,942,340.51 | \$ (5,943,229.69) | \$ 339,578,814.74 |
| 3 | Utility Billing Relief | Metered | 3,564 | \$ 478,280.71 | \$ (239,191.62) | \$ 647,924,849.96 | \$ 478,280.71 | \$ (239,191.62) | \$ 269,532,145.67 |
| | 50% Water Reduction/50% SW Reduction | Non-Metered | 4,713 | \$ 943,696.63 | \$ (471,441.24) | \$ 84,186,227.29 | \$ 944,842.98 | \$ (472,442.04) | \$ 70,046,669.07 |
| ital | | | | \$ 1,421,977.34 | \$ (710,632.86) | \$ 732,111,077.25 | \$ 1,423,123.69 | \$ (711,633.66) | \$ 339,578,814.74 |
| | | | | | | | | | |
| | Senior Exemption | Both | 63,608 | \$ 21,341,494.25 | \$ - | \$ 732,111,077.25 | \$ 21,341,494.25 | \$ (21,341,494.25) | \$ 339,578,814.74 |
| | No Water Exemption/100% SW Exemption | | | | | | | | |
| | | *using a blended water rate 5/7 | | \$ 21,341,494.25 | \$ - | \$ 732,111,077.25 | \$ 21,341,494.25 | \$ (21,341,494.25) | \$ 339,578,814.74 |
| ital | | | | \$ 40,874,071.43 | \$ (15,665,355.84) | \$ 732,111,077.25 | \$ 40,874,048.27 | \$ (29,401,791.02) | \$ 339,578,814.74 |
| ital | | | | | | | | | |

City of Chicago, Dept of Water
Rate Analysis Reduction Report
From 01-JAN-2021 Through 01-JAN-2022

5-Jan-22

| ate | Description/Exemption Amounts | Metered Non-Metered | # of Accounts Charged | WT Charge | WT Reduction | Total Water Charges 2021 | SW Charge | SW Reduction | Total Sewer Charges 2021 |
|-------|--|---------------------------------|-----------------------|------------------|--------------------|--------------------------|------------------|--------------------|--------------------------|
| H | Charitable | Metered | 83 | \$ 862,652.65 | \$ (862,652.65) | \$ 665,294,854.48 | \$ 862,940.33 | \$ (32,794.35) | \$ 282,637,005.22 |
| | 100% Water Exemption / \$1,000 Annual Sewer Credit | Non-Metered | 1 | \$ 862,652.65 | \$ (862,652.65) | \$ 98,796,847.16 | \$ 862,940.33 | \$ (32,794.35) | \$ 80,578,865.74 |
| total | | | | | | \$ 764,091,701.64 | | | |
| P | Not for Profit | Metered | 3,527 | \$ 7,572,273.29 | \$ (4,542,053.31) | \$ 665,294,854.48 | \$ 7,570,663.43 | \$ (1,429,956.08) | \$ 282,637,005.22 |
| | 100% between <\$1M/\$1,000 Annual Sewer Credit | | | | | | | | |
| | 60% between \$1M and \$10M/\$1,000 Annual Sewer Credit | | | | | | | | |
| | 25% between \$10M and \$250M/\$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 7,572,273.29 | \$ (4,542,053.31) | | \$ 7,570,663.43 | \$ (1,429,956.08) | |
| T | Not for Profit | Metered | 42 | \$ 436,796.73 | \$ (87,270.27) | \$ 665,294,854.48 | \$ 432,727.24 | \$ (19,357.46) | \$ 282,637,005.22 |
| | 20% Water Exemption / \$1,000 Annual Sewer Credit | | | | | | | | |
| total | | | | \$ 436,796.73 | \$ (87,270.27) | | \$ 432,727.24 | \$ (19,357.46) | |
| C | Park | Metered | 758 | \$ 6,134,238.80 | \$ (6,134,238.80) | \$ 665,294,854.48 | \$ 6,134,238.80 | | \$ 282,637,005.22 |
| | 100% Water Exemption / No Sewer Credit | | | | | | | | |
| total | | | | \$ 6,134,238.80 | \$ (6,134,238.80) | | \$ 6,134,238.80 | | |
| J | Public | Metered | 2,487 | \$ 6,125,011.63 | \$ (6,125,011.63) | \$ 665,294,854.48 | \$ 6,124,605.14 | \$ (6,124,601.06) | \$ 282,637,005.22 |
| | 100% Water Exemption / 100% Sewer Exemption | Non-Metered | 6 | \$ 6,125,011.63 | \$ (6,125,011.63) | \$ 98,796,847.16 | \$ 6,124,605.14 | \$ (6,124,601.06) | \$ 80,578,865.74 |
| total | | | | | | | | | |
| B | Utility Billing Relief | Metered | 5,307 | \$ 1,341,118.31 | \$ (670,718.04) | \$ 665,294,854.48 | \$ 1,341,077.59 | \$ (670,697.68) | \$ 282,637,005.22 |
| | 50% Water Reduction/50% SW Reduction | Non-Metered | 8,098 | \$ 3,532,415.87 | \$ (1,766,322.08) | \$ 98,796,847.16 | \$ 3,533,621.23 | \$ (1,766,985.92) | \$ 80,578,865.74 |
| total | | | | \$ 4,873,534.18 | \$ (2,437,040.12) | | \$ 4,874,698.82 | \$ (2,437,683.60) | |
| ↓ | Senior Exemption | Both | 62,680 | \$ 24,557,102.64 | \$ - | \$ 764,091,701.64 | \$ 24,557,102.64 | \$ (24,557,102.64) | |
| | No Water Exemption/100% SW Exemption | *using a blended water rate 5:7 | | \$ 24,557,102.64 | \$ - | | | | |
| total | | | | \$ 24,557,102.64 | \$ - | | \$ 24,557,102.64 | \$ (24,557,102.64) | |
| total | | | | \$ 50,561,609.92 | \$ (20,188,266.78) | \$ 764,091,701.64 | \$ 50,556,976.40 | \$ (34,601,495.19) | \$ 363,215,870.96 |

EXHIBIT 6

Mountain States Legal Foundation v. Public Utilities Com.

Supreme Court of Colorado

January 29, 1979, Decided

No. 28151

Reporter

197 Colo. 56 *; 590 P.2d 495 **; 1979 Colo. LEXIS 641 ***; 28 P.U.R.4th 609

Mountain States Legal Foundation v. Public Utilities Commission of the State of Colorado, et al., Mountain Plains Congress of Senior Organizations, Citizens Utilities Company, et al., and Colorado Association of Commerce & Industry v. Public Utilities Commission of the State of Colorado, et al., Mountain Plains Congress of Senior Organizations, Citizens Utilities Company, et al.

Subsequent History: [***1] Rehearing Denied February 26, 1979.

Prior History: *Appeal from the District Court of the City and County of Denver, Honorable Robert T. Kingsley, Judge.*

Disposition: *Affirmed.*

Core Terms

rates, classification, customers, low-income, disabled, majority opinion, unjust discrimination, overrule, elderly, public utility, preferential, ratemaking, forbidden, matter of law, trial court, charges, unjust

Case Summary

Procedural Posture

Appellee organizations commenced separate actions challenging decisions by appellant, the Public Utilities Commission (PUC), which established a reduced gas rate for low-income elderly and low-income disabled persons. The District Court of the City and County of Denver (Colorado) set aside the PUC's decisions. The PUC appealed.

Overview

The trial court held that the PUC's adoption of special reduced rates exceeded the PUC's authority under *Colo. Const. art. XXV* and violated *Colo. Rev. Stat. §*

40-3-106(1) (1973). The appellate court agreed and affirmed the trial court's judgment. The court held that the PUC's power to effect social policy through preferential rate making was restricted by statute no matter how deserving the group benefiting from the preferential rate was. The court said that the discount rate which benefited an unquestionably deserving group, the low-income elderly and the low-income disabled, establishing a discount gas rate plan that differentiated between economically needy individuals who received the same service, was unjustly discriminatory. The court noted that *Colo. Rev. Stat. § 40-3-102* (1973) directed the PUC to prevent unjust discriminatory rates. The court said that it could not empower the PUC, an appointed, non-elected body, to create a special rate for any group it determined to be deserving.

Outcome

The court affirmed the order that set aside the PUC's decisions.

LexisNexis® Headnotes

Energy & Utilities Law > Regulators > Public Utility Commissions > Authorities & Powers

Energy & Utilities Law > Utility Companies > General Overview

Energy & Utilities Law > Utility Companies > Rates > General Overview

HN1  **Public Utility Commissions, Authorities & Powers**

Colo. Const. art. XXV gives the Public Utilities Commission (PUC) full legislative authority to regulate

197 Colo. 56, *56; 590 P.2d 495, **495; 1979 Colo. LEXIS 641, ***1

public utilities. However, the legislative authority in public utility matters delegated by art. XXV to the PUC can be restricted by statute. It is clear that the PUC's authority to order preferential utility rates to effect social policy has, in fact, been restricted by the legislature's enactment of *Colo. Rev. Stat. §§ 40-3-106(1), 40-3-102* (1973).

Governments > Local Governments > Home Rule

Energy & Utilities Law > Utility
Companies > General Overview

Energy & Utilities Law > Utility
Companies > Rates > General Overview

Governments > Local Governments > Licenses

Governments > Local Governments > Police Power

Governments > State & Territorial
Governments > Licenses

Governments > State & Territorial
Governments > Relations With Governments

[HN2](#) **Local Governments, Home Rule**

Colo. Const. art. XXV reads: In addition to the powers now vested in the General Assembly of the State of Colorado, all power to regulate the facilities, service and rates and charges therefor, including facilities and service and rates and charges therefor within home rule cities and home rule towns, of every corporation, individual, or association of individuals, wheresoever situated or operating within the State of Colorado, whether within or without a home rule city or home rule town, as a public utility, as presently or as may hereafter be defined as a public utility by the laws of the State of Colorado, is hereby vested in such agency of the State of Colorado as the General Assembly shall be law designate. Until such time as the General Assembly may otherwise designate, said authority shall be vested in the Public Utilities Commission of the State of Colorado; provided however, nothing herein shall affect the power of municipalities to exercise reasonable police and licensing powers, nor their power to grant franchises; and provided, further, that nothing herein shall be construed to apply to municipally owned utilities.

Energy & Utilities Law > Utility
Companies > Rates > General Overview

Energy & Utilities Law > Utility
Companies > General Overview

[HN3](#) **Utility Companies, Rates**

Colo. Rev. Stat. § 40-3-106(1) (1973) states: No public utility, as to rates, charges, service, or facilities, or in any other respect, shall make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates, charges, service, facilities, or in any respect, either between localities or as between any class of service. The commission has the power to determine any question of fact arising under *§ 40-3-106(1)*. *Colo. Rev. Stat. § 40-3-102* states: The power and authority is hereby vested in the Public Utilities Commission of the State of Colorado and it is hereby made its duty to adopt all necessary rates, charges, and regulations to govern and regulate all rates, charges, and tariffs of every public utility of this state to correct abuses; to prevent unjust discriminations and extortions in the rates, charges, and tariffs of such public utilities of this state; to generally supervise and regulate every public utility in Colorado; and to do all things, whether specifically designated in articles 1 through 7 of this title or in addition thereto, which are necessary or convenient in the exercise of such power.

Energy & Utilities Law > Utility
Companies > Rates > General Overview

[HN4](#) **Utility Companies, Rates**

Colo. Rev. Stat. § 40-3-106(1) (1973) prohibits public utilities from granting preferential rates to any person, and *Colo. Rev. Stat. § 40-3-102* (1973) requires the Public Utilities Commission to prevent unjust discriminatory rates.

Syllabus

Separate actions were commenced in the trial court challenging Public Utilities Commission (PUC) decisions which established a reduced gas rate for low-income elderly and low-income disabled persons. Trial court entered judgment which set aside these decisions. The

197 Colo. 56, *56; 590 P.2d 495, **495; 1979 Colo. LEXIS 641, ***1

PUC and an intervenor appealed.

Counsel: Kea Bardeen, James G. Watt, for plaintiff-appellee, Mountain States Legal Foundation.

J. D. MacFarlane, Attorney General, David W. Robbins, Deputy, Tucker K. Trautman, Assistant, for defendants-appellants, Public Utilities Commission of the State of Colorado, Edwin R. Lundborg, Edythe S. Miller and Sanders G. Arnold, Commissioners.

Irvin M. Kent, for intervenor-appellant, Mountain Plains Congress of Senior Organizations.

Walker D. Miller, Robert T. James, John J. Conway, for amicus curiae, The Colorado Rural Electric Association.

John Fleming Kelly, James L. White, Jeffrey C. Pond, B. Lynn Winmill, Holland and Hart, for petitioner-appellee, Colorado Association of Commerce & Industry.

John R. Barry, [***2] for Iowa Electric Light & Power Company.

T. N. Wright, A. R. Madigan, for Peoples Natural Gas, Division of Northern Natural Gas Company.

Jones, Meiklejohn, Kehl & Lyons, Arthur R. Hauver, for Kansas-Nebraska Natural Gas.

Lefferdink, Lefferdink and Stoval, John J. Lefferdink, for Eastern Colorado Utility Company.

Judges: En Banc. Mr. Chief Justice Hodges delivered the opinion of the Court. Mr. Justice Pringle and Mr. Justice Carrigan dissent.

Opinion by: HODGES

Opinion

[*58] [**496] Plaintiffs-appellees, Mountain States Legal Foundation and Colorado Association of Commerce and Industry, commenced separate actions in the trial court challenging Public Utilities Commission (PUC) decisions which established a reduced gas rate for low-income elderly and low-income disabled persons. The trial court entered a judgment [**497] which set aside these decisions. It held that the adoption of this special reduced rate exceeded the PUC's authority under *Article XXV of the Colorado Constitution* and violated *section 40-3-106(1), C.R.S. 1973*. The appellant PUC and intervenor-appellant Mountain Plains Congress of Senior Organizations urge reversal. We affirm the trial court's judgment.

[***3] On November 8, 1977, the PUC, in two decisions, ordered gas utilities under its regulatory authority to implement a discount gas rate plan for low-income elderly and low-income disabled persons.¹ The resulting revenue loss for the discounted services would be recovered by higher rates on all other customers.

[***4] We give full recognition to the fact that many of our state's elderly live on fixed incomes which are severely strained by today's inflationary economy, as are low-income disabled persons who are often shut out of the employment market. While efforts to provide economic relief to such needy persons are laudatory, the PUC has limited authority to implement a rate structure which is designed to provide financial assistance as a social policy to a narrow group of utility customers, especially where that low rate is financed by its remaining customers.

[*59] In *Mountain States Telephone and Telegraph Co. v. Public Utilities Commission*, 576 P.2d 544 (Colo. 1978), we held that [HN1](#) [↑] *Article XXV of the Colorado Constitution*² [***6] gives the PUC full legislative

¹ The low-income customers who would be eligible for the discounted gas rate are "identified" through a procedure utilized by the Department of Revenue to administer the Colorado property and rent credit program.

In order to qualify for the discounted rate, a customer must have been a full year resident of Colorado; the customer must be 65 years of age or older or be the surviving spouse, 58 years old or older, of a deceased spouse who met the age requirement, or the customer must be receiving full disability benefits from a bona fide public or private insurance plan; and if the discounted gas rate plan were to go into effect during the 1978-1979 heating season, a customer would have to have an income of \$ 7,300 or less if single, and \$ 8,300 or less if married. These income standards are different from those which were in effect during the 1977-1978 heating season because of a legislative change in the standards for the Colorado property tax and rent credit.

² [HN2](#) [↑] *Article XXV* was added to the Colorado Constitution in 1954. It reads:

"In addition to the powers now vested in the General Assembly of the State of Colorado, all power to regulate the facilities, service and rates and charges therefor, including facilities and service and rates and charges therefor within home rule cities and home rule towns, of every corporation, individual, or association of individuals, wheresoever situated or operating within the State of Colorado, whether within or without a home rule city or home rule town, as a public utility, as presently or as may hereafter be defined as a public utility by the laws of the State of Colorado, is hereby vested in such agency of the

197 Colo. 56, *59; 590 P.2d 495, **497; 1979 Colo. LEXIS 641, ***6

authority to regulate public utilities. We noted in that case, however, that the legislative authority in public utility matters delegated by Article XXV to the PUC could be restricted by statute. *Id. at 547*. It is clear in the case before us that the PUC's authority to order preferential utility rates to effect social policy has, in fact, been restricted by the legislature's enactment of *section 40-3-106(1), C.R.S. 1973*³ [***5] and *section 40-3-102, C.R.S. 1973*.⁴

[***7] [HN4](#)

[**498] *Section 40-3-106(1), C.R.S. 1973*, prohibits public utilities from granting preferential rates to any person, and *section 40-3-102, C.R.S. 1973*, requires the PUC to prevent unjust discriminatory rates. When the PUC ordered the utility companies to provide a lower

rate to selected customers unrelated to the cost or type of the service provided, it violated *section 40-3-106(1)*'s prohibition against preferential rates. In this instance, the discount rate benefits an unquestionably deserving group, the low-income elderly and the low-income disabled. This, unfortunately, does not make the rate less preferential. To find otherwise would empower the PUC, an appointed, non-elected body, to create a special rate for any [***60] group it determined to be deserving. The legislature clearly provided against such discretionary power when it prohibited public utilities from granting "any preference." In addition, *section 40-3-102, C.R.S. 1973*, directs the PUC to prevent unjust discriminatory rates. Establishing a discount gas rate plan which differentiates between economically needy individuals who receive the same service is unjustly discriminatory.

State of Colorado as the General Assembly shall be law designate.

"Until such time as the General Assembly may otherwise designate, said authority shall be vested in the Public Utilities Commission of the State of Colorado; provided however, nothing herein shall affect the power of municipalities to exercise reasonable police and licensing powers, nor their power to grant franchises; and provided, further, that nothing herein shall be construed to apply to municipally owned utilities."

³ [HN3](#) *Section 40-3-106(1), C.R.S. 1973*, states:

"*Advantages prohibited - graduated schedules.* (1) No public utility, as to rates, charges, service, or facilities, or in any other respect, shall make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates, charges, service, facilities, or in any respect, either between localities or as between any class of service. The commission has the power to determine any question of fact arising under this section."

⁴ *Section 40-3-102* states:

"The power and authority is hereby vested in the Public Utilities Commission of the State of Colorado and it is hereby made its duty to adopt all necessary rates, charges, and regulations to govern and regulate all rates, charges, and tariffs of every public utility of this state to correct abuses: to prevent unjust discriminations and extortions in the rates, charges, and tariffs of such public utilities of this state; to generally supervise and *regulate every public utility in this state*; and to do all things, whether specifically designated in articles 1 through 7 of this title or in addition thereto, which are necessary or convenient in the exercise of *such power . . .*" (Emphasis added.)

To conclude, although [***8] the PUC has been granted broad rate making powers by *Article XXV of the Colorado Constitution*, the PUC's power to effect social policy through preferential rate making is restricted by statute no matter how deserving the group benefiting from the preferential rate may be.

We affirm the judgment of the trial court.

Dissent by: PRINGLE; CARRIGAN

Dissent

MR. JUSTICE PRINGLE dissenting:

I respectfully dissent because I agree in principle with the views enunciated by Mr. Justice Carrigan in his dissenting opinion.

MR. JUSTICE CARRIGAN dissenting:

I respectfully dissent.

The question is whether, in adopting reduced gas rates for two classes of low-income customers -- the elderly and the disabled -- the P.U.C. has established preferential and unjustly discriminatory rates forbidden by *sections 40-3-102* and *40-3-106(1)*. In my view the P.U.C. has acted within its constitutional and statutory authority.

The majority opinion acknowledges that the determination of utility rates is a purely legislative function which has been delegated, in the first instance, to the P.U.C. by *Article XXV of the Colorado Constitution*. This Court has previously stated that the

197 Colo. 56, *60; 590 P.2d 495, **498; 1979 Colo. LEXIS 641, ***8

P.U.C. in the area of utility [***9] ratemaking has "broadly based authority to do whatever it deems necessary or convenient to accomplish the legislative [ratemaking] functions delegated to it." Mountain States Telephone and Telegraph Co. v. Public Utilities Commission, 195 Colo. 130, 576 P.2d 544, 547 (1978).

Unfortunately, the majority opinion fails adequately to recognize that the P.U.C.'s legislative authority includes the power to initiate public policy in the narrow, specialized area of ratemaking, subject to the General Assembly's power to overrule any P.U.C. rate policy with which it disagrees. As I read the law, only the General Assembly, and not this Court, has authority to overrule the public policy embodied in a rate plan adopted by the P.U.C.

[*61] For example, for many years the P.U.C. has implemented a policy, created by it alone, charging lower rates for electric power to those who use larger amounts of electricity. *I.e.*, as the amount of electricity a customer uses goes up, the cost per unit [**499] goes down. Clearly, if the General Assembly should decide that such a policy unwisely encourages overuse, or waste, of electrical energy, it could overrule the policy by specific [***10] legislation. But this Court could not overrule it by case law if we were to conclude that the policy is unwise, unjust or unreasonable. The effect of the majority opinion, when considered in the light of applicable statutes and prior case law, is to overrule the contested P.U.C. rate scheme for essentially these policy reasons. In my view the Court's action today oversteps the bounds of judicial review of P.U.C. ratemaking and invades the legislative prerogative.

The majority opinion depends entirely on characterization of the special rate classification here involved as a "preference" forbidden by section 40-3-106(1). Thus the decisive issue is whether the instant rate classification is so clearly of the type that the legislature intended to forbid when it enacted that section that it must be held to be a "preference" as a matter of law. The majority opinion cites no precedent or other authority for its holding and we have found no case law from any state dealing with the issue. Moreover the majority opinion fails to define the term "preference" for guidance of the P.U.C. in future cases. In effect the majority opinion has condemned the rate scheme here involved by saying, [***11] "We can't define a 'preference' but we know one when we see one." Such an *ad hoc* determination does not provide needed rational standards as precedent for future cases.

Clearly the Colorado General Assembly could not actually have intended to outlaw the practice under review when it adopted the "preference" prohibition in 1913 (Colo. Sess. Laws 1913, ch. 127, § 18 at 473), for the P.U.C. did not create this rate plan until 1977 and it did not take effect until 1978. Obviously the 1913 General Assembly never contemplated and did not intend to prevent the P.U.C. from establishing lower gas rates for these two classes of customers, the low-income elderly and low-income handicapped.

Apparently, the purpose of section 40-3-106(1) was to prevent the public utilities' then-common practice of favoring certain customers with lower utility rates to the competitive disadvantage of others in the *same class* of customers similarly situated. Columbia Gas of N.Y., Inc. v. N.Y. State Elec. & Gas Co., 28 N.Y.2d 117, 268 N.E.2d 790 (1971); Hays v. Pennsylvania Co., 12 Fed. 309 (N.D. Ohio 1882).

The issue, therefore, becomes whether the statutory language so clearly forbids [***12] the P.U.C.'s rate classification plan that this Court, as a *matter of law*, must outlaw it rather than leaving the decision whether to overrule it to the General Assembly as a *matter of state policy*.

[*62] In the law the word "preference" denotes giving an advantage or priority to one or more claimants in a manner which discriminates unjustly or unreasonably against other claimants *in the same class*. This connotation of the term clearly was intended by section 40-3-106(1), for in the sentence immediately following the use of the term "preference" in that section, public utilities are forbidden to "establish or maintain any *unreasonable* difference as to rates" ¹ If only *unreasonable* rate differentials are forbidden, it is plainly implied that *reasonable* differences in rates are not forbidden. It follows that a classification for rate purposes should not be considered a "preference" if the classification is reasonable.

¹ "Advantages prohibited - graduated schedules. (1) No public utility, as to rates, charges, service, or facilities, or in any other respect, shall make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any *unreasonable difference as to rates*, charges, service, facilities, or in any respect, either between localities or as between any class of service. The commission has the power to determine any question of fact arising under this section." Section 40-3-106, C.R.S. 1973 (emphasis added).

197 Colo. 56, *62; 590 P.2d 495, **499; 1979 Colo. LEXIS 641, ***12

[***13] This rationale is further buttressed by *section 40-3-102, C.R.S. 1973*, which empowers the P.U.C. "to prevent *unjust* discriminations . . . in the rates, charges and [**500] tariffs of . . . public utilities. . . ." The clear implication is that *just* discrimination in rates may be tolerated.

Whether a particular classification among ratepayers is "unreasonable" or "unjust" is a question on which this court has no more expertise than the P.U.C. or the General Assembly. Indeed we probably have less. Such questions are at bottom fact issues, or at best mixed law-fact issues. They involve social policy determinations rather than legal decisionmaking.

The P.U.C. as a specialized, quasi-legislative agency is a particularly appropriate body to effectuate -- at least in the first instance -- the legislative factfinding and policymaking function incident to setting rates. It possesses unique expertise and the capacity to analyze the complex technical, economic, and social information necessary to set public utility rates intelligently and fairly. The constitution, as well as the statute governing P.U.C. rate regulation, wisely leave to the P.U.C. the initial authority to [***14] determine policy. *Colo. Const., Art. XXV; Section 40-3-101, C.R.S. 1973*.

Moreover, *section 40-3-106(1)* expressly declares that, "[t]he commission has the power to determine any question of fact arising under this section." Generally, throughout our law, questions of what is *reasonable* or *unreasonable* are questions of fact. *Pomeroy v. Waitkus*, 183 Colo. 344, 517 P.2d 396 (1973) (negligence); *Middlesex Safe Deposit & Trust Co. v. Jacobs*, 87 Colo. 445, 290 P. 784 (1930) (reasonable time); *Colo. Postal Telegraph Co. v. City of Colo. Springs*, 61 Colo. 560, 158 [*63] P. 816 (1916) (reasonableness of fees for inspection); *Farrier v. Colo. Springs Rapid Transit Ry. Co.*, 42 Colo. 331, 95 P. 294 (1908) (negligence). Whether a particular classification of ratepayers is reasonable or not is essentially a fact question for the P.U.C. Appellate courts are, and ought to be, extremely reluctant to overrule findings of fact so long as they are based on evidence.

To summarize, it seems clear that the constitutional framers recognized that the factfinding and policy choices involved in utility ratemaking require highly concentrated analysis of complex, detailed [***15] factual and statistical information. Thus the constitution wisely left the initial policy aspects of ratemaking to the P.U.C. Of course, since the General Assembly is elected to represent the people in declaring the state's

overall policy, the constitution recognized that the General Assembly may, by statute, overrule any policy adopted by the P.U.C. In my view the majority opinion has invaded this legislative function by, in effect, holding that the rate classification plan under attack creates an "unreasonable difference as to rates" or constitutes an "unjust discrimination" and therefore amounts to a "preference" forbidden by *section 40-3-106(1)*. While the same result might well be reached by the General Assembly if it were to review the P.U.C.'s policy, that result is certainly not so clear that this Court, as a matter of law, should decide that the P.U.C. has created a "preference."

Although there is apparently no authority squarely in point, some light may be shed on the intent of the 1913 General Assembly in choosing the word "preference." In 1889, this Court decided *Bayles v. Kansas Pac. Ry. Co.*, 13 Colo. 181, 22 P. 341 (1889). That case dealt with the term "preference" [***16] in the ratemaking context. It was there asserted to be unlawful for a railroad to grant a particular shipper special freight rates lower than those generally charged. The issue was whether that practice, on its face, constituted a "preference" as the trial court had held, or whether the trial court had a duty to consider all the facts and circumstances which might render the discrimination in rates reasonable in the particular situation and therefore not a preference.

While acknowledging that the railroad clearly intended to give the appellant a "special rate," the Court noted that there had been no showing that others who brought themselves within the same class of shippers by shipping under "like circumstances and conditions" would not have been granted the same special rate.

[**501] Holding that there was no "unjust discrimination," and therefore that no "preference" had been granted, this Court declared:

"It is a well-settled elementary principle of the law of common carriers that mere inequality in charges does not amount to *unjust discrimination*. The requirement of the law is that the charge made shall be *reasonable*. A claim against a common carrier cannot [***17] be predicated upon the bare fact that the amount paid by one is greater than the amount [*64] paid by another. At common law the question is whether, under all the circumstances, the charge is *reasonable*. Complete uniformity in charges is not obligatory. This principle prevails in all states, except where it has been modified by legislative enactment. In the administration of the law the principle itself has never been modified, but the

197 Colo. 56, *64; 590 P.2d 495, **501; 1979 Colo. LEXIS 641, ***17

courts have declared in many cases that there *must be no unjust discrimination*. This, too, has come to be an elementary principle. Charges, therefore, must not only be *reasonable, but equal, when the circumstances and conditions are the same*. Privileges tending to give a shipper a monopoly, which may injuriously affect those engaged in like pursuit, are declared to be *unjust*. Contracts which tend to create such *preferences* are held to be void as against public policy." 13 Colo. at 186-87, 22 P. at 342 (emphasis added).

The similarity between the language in the 1889 *Bayles* opinion and that in the 1913 statutory scheme adopting the term "preference" is indeed striking. Even more striking is the dissimilarity between [***18] the meanings accorded the same words in the 1889 opinion and in today's majority opinion.

Other state courts have followed the *Bayles* reasoning that only *unreasonable* classifications of customers resulting in *unreasonable* differences in rates are forbidden as "preferences." Columbia Gas of N.Y. v. N.Y. Elec. & Gas Corp., supra; Curtiss-Wright Corp. v. Passaic Valley Water Comm'n, 84 N.J. Super. 197, 201 A.2d 398 (1964). Discrimination *per se* need not be eliminated; only *unjust* discrimination is prohibited.

Seen in the light of the *Bayles* rationale, the bottom line issue here is whether according a special gas rate to a class comprised of elderly poor and disabled poor customers constitutes *unreasonable* classification or *unjust* discrimination as a matter of law. Surely it does not.

Our state law is replete with instances where the legislature or quasi-legislative bodies spend state funds to benefit classes comprised of the aged, disabled or poor regardless of the cost or value of the services provided. For example, the Colorado Public Assistance Act provides payments and other social services to old age pensioners and the needy disabled. *Section [***19] 26-2-101, et seq., C.R.S. 1973 (1977 Supp.)*. Medical and remedial care is provided at state expense for "individuals whose income and resources are insufficient to meet the costs" of such care. *Section 26-4-101, et seq., C.R.S. 1973 (1977 Supp.)*. Indigent persons are assured legal representation paid for by the state in serious criminal cases. *Section 21-1-103, C.R.S. 1973* (and this practice was being followed to a lesser extent even before it was required by Gideon v. Wainwright, 372 U.S. 335, 83 S.Ct. 792, 9 L.Ed.2d 799 (1963)). State university and college scholarship programs give preference to students from low-income

families. Special classes in the public school system are provided for the handicapped and special state care facilities are available for those disabled by mental [***65] retardation or brain injury. Aid to dependent children of low-income parents is commonplace. A Denver resident, disabled or 65 years of age or older, is entitled to a tax rebate depending on income level and the amount paid in property taxes or rent. Similar examples of classifications based on factors like those applied here by the P.U.C. could be multiplied indefinitely.

[***20] Nor can this Court declare that such a classification scheme is unreasonable as a matter of law. High costs of utility service [***502] may effectively result in total denial of gas service to customers who cannot afford those high rates. Such a denial of natural gas service in the homes of elderly and disabled poor persons would have a serious, adverse impact on the health, safety and comfort of that class of customers to whom the P.U.C. proposes to offer special, lower rates. ² The General Assembly may well conclude that these factors justify the P.U.C.'s consideration of ability to pay

² See, e.g., *E. Lane, Elderly Exposed to Fatal Risks in Hypothermia, The Denver Post*, Fr., Jan. 12, 1979, p. 31:

"The cold temperatures of winter can pose health problems for us all, but the *elderly are most vulnerable*. For them, even a modest drop of room temperature, if prolonged, can trigger an abnormal lowering of body temperature known as accidental hypothermia.

"The *condition can be fatal* if not properly diagnosed and treated. A person whose deep body temperature falls below 95 degrees Fahrenheit is considered to be hypothermic (normal body temperature is 98.6). Such lowered body temperatures can occur even when room temperatures are between 60 and 65 degree, according to Dr. Richard Besdine, a Boston specialist in medical care of the aged.

"In addition to such temperature control problems, there are other factors, both medical and social, which may make a person susceptible to hypothermia. According to the National Institute on Aging, these factors can include:

"-- Low income and few savings. For those unable to afford fuel, maintaining a room temperature of 70 degrees may be a luxury that must be sacrificed in order to buy food.

"-- Substandard, inadequately insulated housing. It has been estimated that 30 percent of older Americans live in substandard housing." (Emphasis added.)

197 Colo. 56, *65; 590 P.2d 495, **502; 1979 Colo. LEXIS 641, ***20

in setting rates. Such a classification of consumers is not *per se* unreasonable nor arbitrary and therefore does not necessarily create a preference prohibited by the statute.

*****21** It is not for this Court, but for the P.U.C., and ultimately the General Assembly, to decide whether to grant special utility rates to the classes of citizens here involved. Absent a showing that the classification plan adopted by the P.U.C. is unreasonable or amounts to unjust discrimination, this Court should not interfere.

End of Document

EXHIBIT 7

0200 - Water Fund
099 - Finance General - Continued

| Appropriations | Amount |
|---|----------------------|
| 9600 Transfers and Reimbursements | |
| 9611 To Reimburse the Corporate Fund for Indirect Costs Chargeable to Fund | \$69,935,000 |
| 9645 To Reimburse the Corporate Fund for Indirect Pension Costs Chargeable to Fund | 23,253,000 |
| 9600 Transfers and Reimbursements - Total | \$92,593,000 |
| 9700 Transfers and Reimbursements | |
| 9735 Transfer for Contractual Services | \$625,000 |
| 9773 Transfer for Services Provided by the Department of Police | 1,470,301 |
| 9774 Transfer for Services Provided by the Office of Emergency Management and Communication | 925,000 |
| 9700 Transfers and Reimbursements - Total | \$2,420,301 |
| 9900 Pension Purposes as Specified | |
| 9980 Municipal Fund Pension Allocation | \$59,725,000 |
| 9981 Laborers Fund Pension Allocation | 17,597,000 |
| 9900 Pension Purposes as Specified - Total | \$77,322,000 |
| Appropriation Total* | \$502,803,443 |

| | |
|-------------------|----------------------|
| Fund Total | \$795,309,000 |
|-------------------|----------------------|

| | | |
|--------------------------------|--------------|----------------------|
| Fund Position Total | 1,517 | \$169,314,321 |
| Turnover | | (3,514,407) |
| Fund Position Net Total | 1,517 | \$160,799,914 |

EXHIBIT 8

0314 - Sewer Fund
099 - Finance General - Continued

| Appropriations | Amount |
|---|--------------------------|
| 9600 Transfers and Reimbursements | |
| 9611 To Reimburse the Corporate Fund for Indirect Costs Chargeable to Fund | \$37,853,000 |
| 9645 To Reimburse the Corporate Fund for Indirect Pension Costs Chargeable to Fund | 14,529,000 |
| 9600 Transfers and Reimbursements - Total | \$52,137,000 |
| 9700 Transfers and Reimbursements | |
| 9774 Transfer for Services Provided by the Office of Emergency Management and Communication | 120,000 |
| 9700 Transfers and Reimbursements - Total | \$120,000 |
| 9900 Pension Purposes as Specified | |
| 9980 Municipal Fund Pension Allocation | \$16,323,000 |
| 9981 Laborers' Fund Pension Allocation | 12,695,000 |
| 9900 Pension Purposes as Specified - Total | \$29,018,000 |
| Appropriation Total* | \$283,265,286 |
| Fund Total | \$377,752,000 |

| | | |
|--------------------------------|------------|---------------------|
| Fund Position Total | 480 | \$60,235,053 |
| Turnover | | (2,312,436) |
| Fund Position Net Total | 480 | \$57,922,617 |

EXHIBIT 9

MAXIMUS



**Central Services
Cost Allocation Plan
City of Chicago, Illinois**

Actual FY 2020

Based on actual expenditures for
Fiscal Year ending December 31, 2020

**Central Services
Cost Allocation Plan
City of Chicago, Illinois**

FY 2020
Cost Allocation Plan

Based on actual expenditures for
Fiscal Year ending December 31, 2020

Helping Government Serve the People®

**TITLE 2 OF THE CFR, PART 200
CERTIFICATE OF COST ALLOCATION PLAN**

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

1. All costs included in this proposal dated 01/24/2022 to establish cost allocations or billings for the fiscal year ended 12/31/2020 are allowable in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.
2. All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the Federal awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

City of Chicago

Governmental Unit

Reshma Soni

Signature

Reshma Soni

Name of Official

Comptroller

Title

1/31/2022

Date of Execution

NOTE: THE ABOVE CERTIFICATION IS A REQUIREMENT OF 2 CFR 200. WE WILL NOT BE ABLE TO PROCESS YOUR INDIRECT COST PROPOSAL WITHOUT THIS CERTIFICATION.

E-mail certificate along with your indirect cost proposal to your assigned Regional Cost Allocation Services office.

04/15

CITY OF CHICAGO, ILLINOIS
Indirect Cost Allocation Plan - 2020 Actual
Schedule A - Allocated Costs By Department

City of Chicago, Illinois
2020 Version 1.0007
Level: Detail

| Central Service Departments | AVIATION DEPT 85 | MIDWAY OPERTNS FD 610 | O'HARE OPERTNS FD 740 | WATER FUND 200 | SEWER FUND 314 |
|---------------------------------|------------------|--------------------------|--------------------------|----------------|----------------|
| BUILDING DEPRECIATION | 0 | 0 | 0 | 0 | 0 |
| EQUIPMNT DEPRECIATION | 0 | 0 | 0 | 0 | 0 |
| EMPLOYEE BENEFITS | 0 | 0 | 0 | 0 | 0 |
| PBC - DALEY CENTER | 0 | 0 | 0 | 0 | 0 |
| BUDGET & MANAGEMNT 05 | 0 | 212,973 | 338,574 | 158,331 | 155,560 |
| CITY COUNCIL/COMM 15 | 0 | 0 | 0 | 0 | 0 |
| FINANCE COMMITTEE | 0 | 0 | 1,853 | 213,654 | 111,963 |
| FINANCE-CITYWIDE 27 | 0 | 0 | 0 | 0 | 0 |
| CITY COMPTROLLER | 2,631 | 77,425 | 458,382 | 115,762 | 204,714 |
| COMPTR-ACCT FIN RPTG | 58 | 86,190 | 1,030,657 | 119,042 | 0 |
| COMPTR-FIN STRATG OPS | 3,354 | 220,689 | 976,760 | 405,807 | 317,651 |
| COMPTR-REVENUE SVCS | 2,111 | 0 | 0 | 411,665 | 0 |
| TREASURER 28 | 347 | 100,819 | 332,166 | 128,964 | 64,648 |
| LAW CITY-WIDE 31 | 0 | 119,823 | (350,372) | 257,477 | (352,877) |
| LAW CORPORATE | 0 | 0 | 0 | 0 | 0 |
| HUMAN RESOURCES 33 | 0 | 111,599 | 460,491 | 306,861 | 146,124 |
| PROCUREMENT SERVC 35 | 0 | 196,177 | 671,079 | 143,003 | 0 |
| ASSETS & INFO SVCS 38 | 0 | 0 | 0 | 0 | 0 |
| AIS-COMM & FIN&ADMIN | 0 | 4,503 | 17,292 | 12,036 | 1,212 |
| AIS-FACILITY MNGMT | 0 | 0 | 0 | 15,752,716 | 0 |
| AIS-ASSET MANAGEMENT | 64,498 | 103,418 | 299,420 | 1,023,473 | 17,439 |
| AIS-FLEET OPERATIONS | 2,920 | 435,666 | 2,316,846 | 1,388,618 | 842,675 |
| AIS-INFORMATION TECH | 1,514,094 | 0 | 0 | 734,195 | 0 |
| AIS-BUILDING MTCE/OPER | 0 | 0 | 0 | 0 | 0 |
| PUBLIC SAFETY ADMIN 51 | 0 | 0 | 0 | 0 | 0 |
| FINANCE GENERAL 99 | 39 | 2,139 | 8,214 | 404,629 | 576 |
| CDBG PROGRAMS | 0 | 0 | 0 | 133,114 | 0 |
| Allocated Costs for Fiscal 2020 | 1,590,052 | 1,671,422 | 6,561,362 | 21,709,348 | 1,509,684 |

EXHIBIT 10

Changes in Actuarial Assumptions—Changes in the municipal bond rate resulted in a decrease in the single discount rate for Laborers. See discount rate section below.

The change in the single discount rate and other assumptions increased the net pension liability by \$6.9 million for Laborers'. These changes are being amortized into expense over a 4 year period for Laborers'.

The Water Fund's proportion of the net pension liability was determined based on the rates of Water Fund's salaries within each corresponding pension plan to the total budgeted salaries for 2020 and 2019. At December 31, 2020 and 2019, the Water Fund's proportion was 6.6% and 7.2% of the Municipal Employees' plan, respectively, and 15.8% and 16.2%, respectively, of the Laborer's plan.

For the years ended December 31, 2020 and 2019, the Water Fund recognized pension expense of (\$47.9) million and \$70.3 million, respectively.

At December 31, 2020 and 2019, the Water Fund reported total deferred outflows of resources of \$17.0 million and \$10.4 million, respectively, and deferred inflows of resources of \$125.8 million and \$267.2 million, respectively, related to pensions from the following sources:

Municipal Employees' (dollars in thousands):

| | 2020 | | 2019 | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 8,533 | \$ 3,352 | \$ 5,095 | \$ 6,559 |
| Changes of assumptions | - | 98,330 | - | 222,555 |
| Net difference between projected and actual earnings on pension plan investments | - | 6,723 | - | 3,580 |
| Total | <u>\$ 8,533</u> | <u>\$ 107,405</u> | <u>\$ 5,095</u> | <u>\$ 233,294</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Municipal Employees' pensions will be recognized in pension expense/(benefit) as follows:

| Years Ended December 31 | |
|----------------------------|--------------------|
| 2021 | \$ (100,190) |
| 2022 | 4,412 |
| 2023 | (3,419) |
| 2024 | 325 |
| Total | <u>\$ (98,872)</u> |

EXHIBIT 11

Detail of Revenue Estimates for 2022 - Continued

0681 - Municipal Employees' Annuity and Benefit Fund

Estimates at January 1, 2022

| | |
|---------------------------------------|---------------|
| Current Assets | \$433,620,000 |
| Current Liabilities | 433,620,000 |
| Prior Year Available Resources | \$0 |

Estimated Revenue for 2022

| | |
|---|----------------------|
| Property Tax Levy (Net Abatement) | \$166,636,000 |
| Library Property Tax Levy | 3,780,000 |
| Water and Sewer Utility Tax | 206,000,000 |
| Corporate Fund Pension Allocation | 284,681,000 |
| Water Fund Pension Allocation | 59,725,000 |
| Sewer Fund Pension Allocation | 16,323,000 |
| Midway Fund Pension Allocation | 11,347,000 |
| O'Hare Fund Pension Allocation | 65,717,000 |
| Library Pension Residual Allocation After Property Tax Levy | 4,392,000 |
| Emergency Communication Pension Allocation | 27,615,000 |
| Municipal Employees' Annuity and Benefit Obligation Fund | 115,000,000 |
| Total appropriable revenue | 967,016,000 |
| Total appropriable for charges and expenditures | \$967,016,000 |

0682 - Laborers' and Retirement Board Annuity and Benefit Fund

Estimates at January 1, 2022

| | |
|---------------------------------------|--------------|
| Current Assets | \$71,755,000 |
| Current Liabilities | 71,755,000 |
| Prior Year Available Resources | \$0 |

Estimated Revenue for 2022

| | |
|--|----------------------|
| Property Tax Levy (Net Abatement) | \$55,961,000 |
| Corporate Fund Pension Allocation | 22,397,000 |
| Water Fund Pension Allocation | 17,597,000 |
| Sewer Fund Pension Allocation | 12,695,000 |
| Midway Fund Pension Allocation | 2,195,000 |
| O'Hare Fund Pension Allocation | 7,943,000 |
| Total appropriable revenue | 118,788,000 |
| Total appropriable for charges and expenditures | \$118,788,000 |

EXHIBIT 12

CITY OF CHICAGO, ILLINOIS
WATER FUND

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS
(Dollars in thousands)

| Municipal Employees' | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| TOTAL PENSION LIABILITY: | | | | | | |
| Service cost* | \$ 236,302 | \$ 228,465 | \$ 223,528 | \$ 572,534 | \$ 619,743 | \$ 226,816 |
| Interest | 1,190,694 | 1,159,253 | 1,123,348 | 915,711 | 878,369 | 909,067 |
| Benefit changes | - | - | - | - | - | 2,140,009 |
| Differences between expected and actual experience | 100,938 | 16,676 | 95,540 | (177,755) | (127,119) | (109,835) |
| Assumption changes | - | - | - | (7,431,191) | (578,920) | 8,711,755 |
| Benefit payments including refunds | (973,478) | (952,652) | (916,198) | (888,174) | (859,672) | (826,036) |
| Net change in total pension liability | 554,456 | 451,742 | 526,218 | (7,008,875) | (67,599) | 11,051,776 |
| Total pension liability—beginning | 17,260,356 | 16,808,614 | 16,282,396 | 23,291,271 | 23,358,870 | 12,307,094 |
| Total pension liability—ending (a) | 17,814,812 | 17,260,356 | 16,808,614 | 16,282,396 | 23,291,271 | 23,358,870 |
| PLAN FIDUCIARY NET POSITION: | | | | | | |
| Contributions—employer | 496,992 | 418,269 | 349,574 | 261,764 | 149,718 | 149,225 |
| Contributions—employee | 157,798 | 146,645 | 138,400 | 134,765 | 130,391 | 131,428 |
| Net investment income | 335,403 | 560,940 | (204,975) | 610,515 | 281,419 | 114,025 |
| Benefit payments including refunds of employee contribution | (973,478) | (952,652) | (916,198) | (888,174) | (859,672) | (826,036) |
| Administrative expenses | (7,118) | (6,740) | (6,639) | (6,473) | (7,056) | (6,701) |
| Other | - | - | - | 5,394 | - | - |
| Net change in plan fiduciary net position | 9,597 | 166,462 | (639,838) | 117,791 | (305,200) | (438,059) |
| Plan fiduciary net position—beginning | 4,080,642 | 3,914,180 | 4,554,018 | 4,436,227 | 4,741,427 | 5,179,486 |
| Plan fiduciary net position—ending (b) | 4,090,239 | 4,080,642 | 3,914,180 | 4,554,018 | 4,436,227 | 4,741,427 |
| NET PENSION LIABILITY—Ending (a) - (b) | \$ 13,724,573 | \$ 13,179,714 | \$ 12,894,434 | \$ 11,728,378 | \$ 18,855,044 | \$ 18,617,443 |
| PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY | 22.96 % | 23.64 % | 23.29 % | 27.97 % | 19.05 % | 20.30 % |
| ALLOCATED COVERED PAYROLL | \$ 123,184 | \$ 129,976 | \$ 123,292 | \$ 119,698 | \$ 109,644 | \$ 111,282 |
| EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED-EMPLOYEE PAYROLL | 737.13 % | 731.07 % | 743.37 % | 695.42 % | 1,144.85 % | 1,132.81 % |
| ALLOCATED NET PENSION LIABILITY | \$ 908,022 | \$ 950,223 | \$ 916,516 | \$ 832,399 | \$ 1,255,259 | \$ 1,255,259 |
| ALLOCATED PERCENTAGE | 6.62 % | 7.21 % | 7.11 % | 7.10 % | 6.66 % | 6.66 % |

* Includes pension plan administrative expense

** Allocated covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll during fiscal year

Ten year information will be provided prospectively starting with year 2015

(Continued)

**CITY OF CHICAGO, ILLINOIS
WATER FUND**

**SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
(Dollars are in thousands)**

Municipal Employees':

| Years Ended December 31 | Actuarially Determined Contributions | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency | Covered Payroll* | Contributions as a Percentage of Covered Payroll |
|----------------------------|--|--|----------------------------|---------------------|---|
| 2011 | \$ 611,756 | \$ 147,009 | \$ 464,747 | \$ 1,605,993 | 9.15 % |
| 2012 | 690,823 | 148,859 | 541,964 | 1,590,794 | 9.36 |
| 2013 | 820,023 | 148,197 | 671,826 | 1,580,289 | 9.38 |
| 2014 | 839,039 | 149,747 | 689,292 | 1,602,978 | 9.34 |
| 2015 | 677,200 | 149,225 | 527,975 | 1,643,481 | 9.08 |
| 2016 | 961,770 | 149,718 | 812,052 | 1,646,939 | 9.09 |
| 2017 | 1,005,457 | 261,764 | 743,693 | 1,686,533 | 15.52 |
| 2018 | 1,049,916 | 349,574 | 700,342 | 1,734,596 | 20.15 |
| 2019 | 1,117,388 | 418,269 | 699,119 | 1,802,790 | 23.20 |
| 2020 | 1,167,154 | 496,992 | 670,162 | 1,861,905 | 26.69 |

* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise Fund.

Laborers':

| Years Ended December 31 | Actuarially Determined Contributions* | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency | Covered Payroll** | Contributions as a Percentage of Covered Payroll |
|----------------------------|---|--|----------------------------|----------------------|---|
| 2011 | \$ 57,259 | \$ 12,779 | \$ 44,480 | \$ 195,238 | 6.55 % |
| 2012 | 77,566 | 11,853 | 65,713 | 198,790 | 5.96 |
| 2013 | 106,199 | 11,583 | 94,616 | 200,352 | 5.78 |
| 2014 | 106,019 | 12,161 | 93,858 | 202,673 | 6.00 |
| 2015 | 79,851 | 12,412 | 67,439 | 204,773 | 6.06 |
| 2016 | 117,033 | 12,603 | 104,430 | 208,155 | 6.05 |
| 2017 | 124,226 | 35,457 | 88,769 | 208,442 | 17.01 |
| 2018 | 129,247 | 47,844 | 81,403 | 211,482 | 22.62 |
| 2019 | 148,410 | 59,346 | 89,064 | 211,608 | 28.05 |
| 2020 | 155,794 | 73,744 | 82,050 | 207,195 | 35.59 |

* The LABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the actuarially determined contribution is equal to the normal cost plus an amount to amortize the unfunded liability using dollar payments and a 30 year open amortization period.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise Fund.

(Continued)

EXHIBIT 13

Detail of Revenue Estimates for 2021 - Continued

0681 - Municipal Employees' Annuity and Benefit Fund

Estimates at January 1, 2021

| | |
|--------------------------------|--------------|
| Current Assets | \$413,838.00 |
| Current Liabilities | 413,838.00 |
| Prior Year Available Resources | \$ |

Estimated Revenue for 2021

| | |
|---|--------------------|
| Property Tax Levy (Net Abatement) | \$166,636,000 |
| Library Property Tax Levy | 5,521,000 |
| Water and Sewer Utility Tax | 206,500,000 |
| Corporate Fund Pension Allocation | 49,773,000 |
| Water Fund Pension Allocation | 38,954,000 |
| Sewer Fund Pension Allocation | 10,303,000 |
| Midway Fund Pension Allocation | 3,551,000 |
| O'Hare Fund Pension Allocation | 39,795,000 |
| Library Pension Residual Allocation After Property Tax Levy | 4,692,000 |
| Emergency Communication Pension Allocation | 17,387,000 |
| Municipal Employees' Annuity and Benefit Obligation Fund | 36,774,000 |
| Total appropriable revenue | \$32,886,00 |
| Total appropriable for charges and expenditures | \$32,886,00 |

0682 - Laborers' and Retirement Board Annuity and Benefit Fund

Estimates at January 1, 2021

| | |
|--------------------------------|-------------|
| Current Assets | \$58,841.00 |
| Current Liabilities | 58,841.00 |
| Prior Year Available Resources | \$ |

Estimated Revenue for 2021

| | |
|--|-------------------|
| Property Tax Levy (Net Abatement) | \$55,961,000 |
| Water Fund Pension Allocation | 13,335,000 |
| Sewer Fund Pension Allocation | 9,635,000 |
| Midway Fund Pension Allocation | 1,393,000 |
| O'Hare Fund Pension Allocation | 5,909,000 |
| Total appropriable revenue | \$6,238,00 |
| Total appropriable for charges and expenditures | \$6,238,00 |

0683 - Policemen's Annuity and Benefit Fund

Estimates at January 1, 2021

| | |
|--------------------------------|--------------|
| Current Assets | \$559,076.00 |
| Current Liabilities | 559,076.00 |
| Prior Year Available Resources | \$ |

Estimated Revenue for 2021

| | |
|--|-------------------|
| Property Tax Levy (Net Abatement) | \$801,427,000 |
| Midway Fund Pension Allocation | 4,316,000 |
| O'Hare Fund Pension Allocation | 13,107,000 |
| Total appropriable revenue | \$18,850,0 |
| Total appropriable for charges and expenditures | \$18,850,0 |

EXHIBIT 14

NEW ISSUE – BOOK ENTRY ONLY**RATINGS:** See “RATINGS” herein.

Subject to compliance by the City with certain covenants, in the opinion of Co-Bond Counsel, under present law, interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX MATTERS” herein for a more complete discussion.



\$576,415,000
CITY OF CHICAGO

\$254,210,000
Second Lien Water
Revenue Bonds, Project Series 2023A

\$322,205,000
Second Lien Water
Revenue Bonds, Refunding Series 2023B

Dated: Date of Delivery**Due: As Shown on the Inside Cover**

This Official Statement contains information relating to the City of Chicago (the “City”) Second Lien Water Revenue Bonds, Project Series 2023A (the “Series 2023A Bonds”) and the Second Lien Water Revenue Bonds, Refunding Series 2023B (the “Series 2023B Bonds”) and together with the Series 2023A Bonds, the “Series 2023 Bonds” or the “Bonds”) which will be issued pursuant to an Amended and Restated Master Indenture of Trust Securing City of Chicago Second Lien Water Revenue Bonds, dated as of May 1, 2023 (the “Master Indenture”), from the City to The Bank of New York Mellon Trust Company, N.A., as trustee (as successor to American National Bank and Trust Company of Chicago and J.P. Morgan Trust Company, National Association) (the “Trustee”), as supplemented by the First through Eleventh Supplemental Indentures Securing Second Lien Water Revenue Bonds (the “Prior Supplemental Indentures”) and by the Thirteenth Supplemental Indenture Securing Second Lien Water Revenue Project and Refunding Bonds, Series 2023 dated as of May 1, 2023. The Master Indenture amends and restates the Master Indenture of Trust Securing City of Chicago Second Lien Water Revenue Bonds, dated as of December 15, 1999, from the City to the Trustee, as amended by Amendment No. 1 to Master Indenture dated as of August, 1, 2004 and as further supplemented by the Prior Supplemental Indentures (as so supplemented and amended, the “Original Indenture”) pursuant to which all previously issued series of Second Lien Bonds were issued, and amends portions of each of the respective ordinances authorizing such previously issued series of Second Lien Bonds.

As of the date hereof, there are no Outstanding Senior Lien Bonds, and the City has covenanted under the Master Indenture not to issue any obligations with a claim to Net Revenues of the Water System senior to that of the Second Lien Water Revenue Bonds, including the Bonds.

The Bonds will be issuable as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable on each May 1 and November 1, with the first interest payment date being November 1, 2023. Principal of the Bonds is payable at maturity. Principal of and interest on the Bonds will be paid by the Trustee to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Bonds will be made to such registered owner, and disbursement of such payments to beneficial owners will be the responsibility of DTC and its participants. See “DESCRIPTION OF THE BONDS – Book-Entry Only System” herein.

The Bonds are subject to redemption prior to maturity as described in this Official Statement. See “DESCRIPTION OF THE BONDS – Redemption” herein.

The Bonds are limited obligations of the City having a claim for payment of principal and interest solely from the Net Revenues pledged to their payment as described herein. The Bonds have a claim for payment from the Net Revenues on an equal and ratable basis with the City’s Outstanding Second Lien Bonds and any Second Lien Parity Bonds that may be issued from time to time in the future.

The City will use the proceeds from the sale of the Series 2023A Bonds to (i) pay for certain costs of the Projects (as defined herein) and (ii) pay costs of issuance of the Series 2023A Bonds. The City will use the proceeds from the sale of the Series 2023B Bonds to (i) refund certain of the City’s outstanding Second Lien Water Revenue Bonds (the “Refunded Bonds”), (ii) pay for certain costs of the Projects and (iii) pay costs of issuance of the Series 2023B Bonds. See “PLAN OF FINANCING” and “SOURCES AND USES OF PROCEEDS” herein.

The scheduled payment of principal of and interest on all of the Series 2023A Bonds and on the Series 2023B Bonds maturing on November 1 of the years 2028 through 2040, inclusive (collectively, the “Insured Bonds”), when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**



THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION AS TO INDEBTEDNESS. THE BONDS DO NOT HAVE A CLAIM FOR PAYMENT FROM ANY TAXES OF THE CITY. THE BONDS ARE NOT SECURED BY A LIEN ON OR A SECURITY INTEREST IN THE PHYSICAL ASSETS OF THE WATER SYSTEM. THE CITY SHALL NOT BE OBLIGATED TO PAY THE BONDS EXCEPT FROM THE REVENUES PLEDGED TO THEIR PAYMENT. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION OF THE STATE OF ILLINOIS IS PLEDGED TO THE PAYMENT OF THE BONDS.

Maturities, Principal Amounts, Interest Rates, Prices, Yields and CUSIP Numbers are set forth on the inside of this cover page.

The Bonds are offered when, as and if issued, and accepted by the Underwriters, subject to delivery of separate approving legal opinions by Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois, and Golden Holley James LLP, Chicago, Illinois, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the City by (i) its Acting Corporation Counsel, and (ii) in connection with the preparation of this Official Statement, Cotillas and Associates and Burke Burns and Pinelli, Ltd., Co-Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by Chico & Nunes, P.C., Chicago, Illinois. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about May 9, 2023.

Mesirow Financial, Inc.**Estrada Hinojosa
Blaylock Van, LLC****Wells Fargo Securities**

San Blas Securities, LLC Bancroft Capital, LLC Janney Montgomery Scott Harvestons Securities, Inc. Academy Securities

The date of this Official Statement is May 3, 2023

material number of current suburban customers will continue to purchase water from the Water System under these contracts for the following reasons: (i) large capital investments would be required for those customers otherwise to obtain water from Lake Michigan; (ii) the Water System provides a reliable supply of water; (iii) demand for available groundwater exceeds its potential yield; and (iv) the quality of Lake Michigan water is superior to local groundwater. In 2022, the suburban customers accounted for approximately 38.8% of water pumpage and approximately 48 percent of net water sales of the Water System.

Water System Rates

Water System rates are set by the City Council. No regulation by any administrative agency applies to the Water System rates.

The Water System rates for metered accounts are based on a dollar rate per thousand cubic feet. The assessment of non-metered users is based on a formula related to the size of the relevant property and other use-related factors. Beginning June 1, 2016, and every year thereafter, annual Water System rates are required to be adjusted, if applicable, by applying to the previous year's rates the rate of inflation, calculated based on the Consumer Price Index – Urban Wage Earners and Clerical Workers (Chicago All Items) published by the United States Bureau of Labor Statistics for the 365-day period ending on the most recent January 1. Any such annual increase, however, shall be capped at 5% of the previous year's rate. Annual Water System rates are effective June 1 of each year until May 31 of the following year. As of June 1, 2022, Water System rates were \$4.33 per 1,000 gallons of water. On June 1, 2023, the Water System rate will increase by 5 percent to \$4.55 per 1,000 gallons of water. The City Council may take action at any time to alter the then-current schedule of water rates. See "FINANCIAL OPERATIONS." Beginning in 2030, the City intends to commence transitioning from its current uniform rate for suburban customers to a rate based upon cost of service. See "FINANCIAL OPERATIONS – Transition to AWWA Cost-of-Service Water Rate Methodology for Suburban Customers."

Recent Developments regarding the City of Chicago and the Office of Mayor

As presented on the third inside cover page, as of the date of this Official Statement, Lori E. Lightfoot serves as the Mayor of the City of Chicago (the "Mayor"). On April 4, 2023, Brandon Johnson was elected to serve as Mayor. Mr. Johnson is scheduled to be sworn in as Mayor on May 15, 2023. The new Mayor may implement changes in the City's operating and financial practices and policies, and departmental leadership. The City does not expect that any of such changes will have any material adverse impact on the security for the Bonds, the Net Revenues or the ability of the City to pay the debt service on the Bonds.

PLAN OF FINANCING

Projects

Certain proceeds of the Series 2023A Bonds and of the Series 2023B Bonds are expected to be used to finance certain costs of the program of improvements and extensions to the Water System designated by the Commissioner of Water Management (the "Commissioner") including, but not limited to constructing and installing water mains; rehabilitating, upgrading, replacing, repairing, renovating, improving and extending facilities at the water purification plants; improving and extending facilities at any or all of the pumping stations; providing any and all necessary facilities, services and equipment to protect and enhance the safety, integrity and security of the Water System; and providing new equipment and technology and rehabilitating existing equipment necessary to continue to provide existing and future customers with the quality and quantity of water required and to meet future customer demand; and

Water System Rates

Historical Water System rates, as authorized by the City Council, are summarized in the table below. By ordinance, annual Water System rates are now automatically adjusted by applying to the previous year's rates the rate of inflation, calculated based on the Consumer Price Index published by the United States Bureau of Labor Statistics for the 365-day period ending on the most recent January 1. Such increases do not require further action by the City Council. Any such automatic annual increase, however, is capped at 5% of the previous year's rate. Subject to applicable rate covenants, the City Council may take action at any time to alter the then-current schedule of water rates. On June 1, 2023, the water rate will increase by 5% to \$4.55 per 1,000 gallons.

Historical Water System rates, as authorized by the City Council, are summarized in the table below.

HISTORICAL WATER RATE INCREASES

| <u>Date Effective</u> | <u>1,000 Cubic Feet</u> | <u>1,000 Gallons</u> | <u>Increase Over Prior Rate (%)</u> |
|-----------------------|-----------------------------|----------------------|---|
| Jan. 1, 2013 | 21.56 | 2.88 | 15.00 |
| Jan. 1, 2014 | 24.80 | 3.31 | 15.00 |
| Jan. 1, 2015 | 28.52 | 3.81 | 15.00 |
| June 1, 2016 | 28.52 | 3.81 | 0.00 |
| June 1, 2017 | 29.04 | 3.88 | 1.83 |
| June 1, 2018 | 29.49 | 3.95 | 1.54 |
| June 1, 2019 | 29.73 | 3.98 | 0.82 |
| June 1, 2020 | 30.46 | 4.08 | 2.45 |
| June 1, 2021 | 30.79 | 4.13 | 1.10 |
| June 1, 2022 | 32.33 | 4.33 | 5.00 |

Source: City of Chicago, Department of Water Management.

Transition to AWWA Cost-of-Service Water Rate Methodology for Suburban Customers

Beginning in 2030, the City intends to commence transitioning from its current uniform rate for suburban customers to a rate based upon cost of service (the "Cost-of-Service Water Rate"). The methodology for calculating the Cost-of-Service Water Rate will be based upon relevant case law and the AWWA M1 Principles of Water Rates, Fees, and Charges (the "M1 Manual"). The M1 Manual is considered to be the industry standard for setting water rates by public water suppliers nationally and is used by peer entities such as Great Lakes Water Authority, Metropolitan Water District of Southern California, the City of Houston, the City of Philadelphia, San Francisco Public Utilities Commission, and San Diego County Water Authority. Under the Cost-of-Service Water Rate, rates will be developed based upon the specific facilities and components of the water supplier's system that are "used and useful" in providing water service to each wholesale customer. Cost of service will be determined based on the portions of the system that each customer uses. Growth in the rate over time is capped at the greater of CPI or 5% (the "Inflation Cap"), but with a 10-year lookback that allows the City to recover the AWWA rate when it's higher than the Inflation Cap across a 10-year period. This process offers wholesale customers greater transparency and predictability concerning water rates, and is a continuation of the City's efforts to strengthen its relationship with its suburban customers and improve its competitive position within the region. The City does not expect the transition to the Cost-of-Service Water Rate to affect the City's ability to meet its covenants under the Indenture.

Days Cash on Hand

In addition to the requirement of the Indenture that the City maintain amounts in the Water Rate Stabilization Account equal to at least 90 Days' Cash On Hand, the City also intends as part of the Financial Policies to maintain Days' Cash On Hand of at least 270 days. For the purpose of calculating Days' Cash On Hand under the Financial Policies, the balance in the Water Rate Stabilization Account and the Residual Account will be included, along with any unrestricted cash and investments and any other restricted cash and investments available for the payment of debt service. The City calculates Water Fund Days' Cash On Hand as of December 31, 2021 to equal 497 days, and projects that Days' Cash On Hand for projection period will remain at comparable levels.

The Financial Policies are not a legal requirement to which the City is bound but represent practices that, as of the date of this Official Statement, the City intends to follow in connection with the financial operations of the Water System. Subject to compliance by the City with the requirements of the Indenture, the Financial Policies may be changed, terminated in whole or in part, or disregarded in whole or in part at the City's discretion. No assurance can be given regarding future compliance by the City with the Financial Policies.

Historical and Projected Financial Operations

Following are the Water Fund's Statements of Operations as summarized from the Water Fund Annual Comprehensive Financial Reports for the years ended December 31, 2017 through 2021 ("Water Fund Financial Statements") together with projected financial operations and projected debt service coverage calculations for the years ending December 31, 2022 through December 31, 2026, reflecting the issuance of the Bonds and the application of the proceeds therefrom. The projected financial operations and debt service coverage calculations also include additional anticipated issuances of debt through the end of the projection period. As available, the City also intends to dedicate approximately half of net revenues after payment of debt service for Pay-Go to offset debt issuance in future years. The Water Fund Financial Statements for the year ended December 31, 2022 are not expected to be published until June 30, 2023. Financial results for the fiscal year ended December 31, 2022 are categorized as projected for the purposes of this section and should not be considered to be reflective of actual financial results for the period.

Based on the projected financial operations described below, the City projects that it can fund its Capital Improvement Program and Public-side LSLR and maintain comparable Second Lien debt service coverages and Days' Cash On Hand levels while increasing water rates based on the annual change in CPI or the Cost-of-Service Water Rate.

The Water Fund's operating revenues for 2021 increased by approximately \$40 million compared to the prior year operating revenues. This increase of 5.4% is primarily due to decreases in provision for doubtful accounts (following a one-time increase in 2020 related to write-offs of exempt accounts), increased suburban consumption and a marginal increase in the water rate. As available, the City intends to dedicate approximately half of Net Revenues remaining after the payment of debt service as permitted by the Master Indenture for Pay-Go to reduce debt issuance in future years.

The Water Fund's operating expenses before depreciation and amortization for 2021 increased approximately \$16 million from the year ended 2020 due primarily to an increase in pension expenses. Operating expenses exclusive of pension expense increased by 1.8 million in 2021, primarily due to increases in power and pumping costs, administrative costs, offset by decreases in general fund reimbursements.

EXHIBIT 15



CHICAGO

City of Chicago Financial Update

April 20, 2023



City of Chicago

Second Lien Water Revenue Bonds, Project Series 2023A Second Lien Water Revenue Bonds, Refunding Series 2023B



April 20, 2023



Recent Credit Improvements

- **Addition of the City of Joliet, the 3rd largest city in Illinois, significantly broadens the competitive landscape and generates financial value to the water system**
 - Represents the City's first new direct purchaser regional water partner in four decades
 - Estimated to serve an additional 250,000 additional people in the region
 - Expected to add \$1B in financial value to the water system over the next 100 years
 - Contract expected to result in approximately \$30mm of revenues a year
- **AWWA rate setting conversion promotes transparency and equitability while allowing the City to recover for the costs necessary to run the system**
- **Demonstrated commitment to regional collaboration through the launch of the Advisory Council**
- **Indenture modifications enhance bondholder security and modernize the credit**
 - Closure of the senior lien as effectuated by the Master Trust Indenture
 - Creation of a Residual Account at the bottom of the waterfall allows for flexible use of funds, including debt service
 - Rate Stabilization Account policy requirement of 90 days cash on hand
- **New financial policies strengthen the Water Fund's finances**
 - Segregation of Water funds from the City's general fund starting in 2019
 - New pension funding policy provides stability and reduces long-term pension costs
 - **New financial policy of additional 270 days cash on hand (currently 495 DCOH)**
- **Prudent use of financial resources supports capital improvement plan**
 - Actionable plan to replace lead service lines over the next 20 years
 - Use of PAYGO funds (based on net revenues remaining after debt service as permitted by the Indenture) along with debt issuance to fund capital improvements in future years

★ Key Credit Strengths

Size, Scale and Expertise

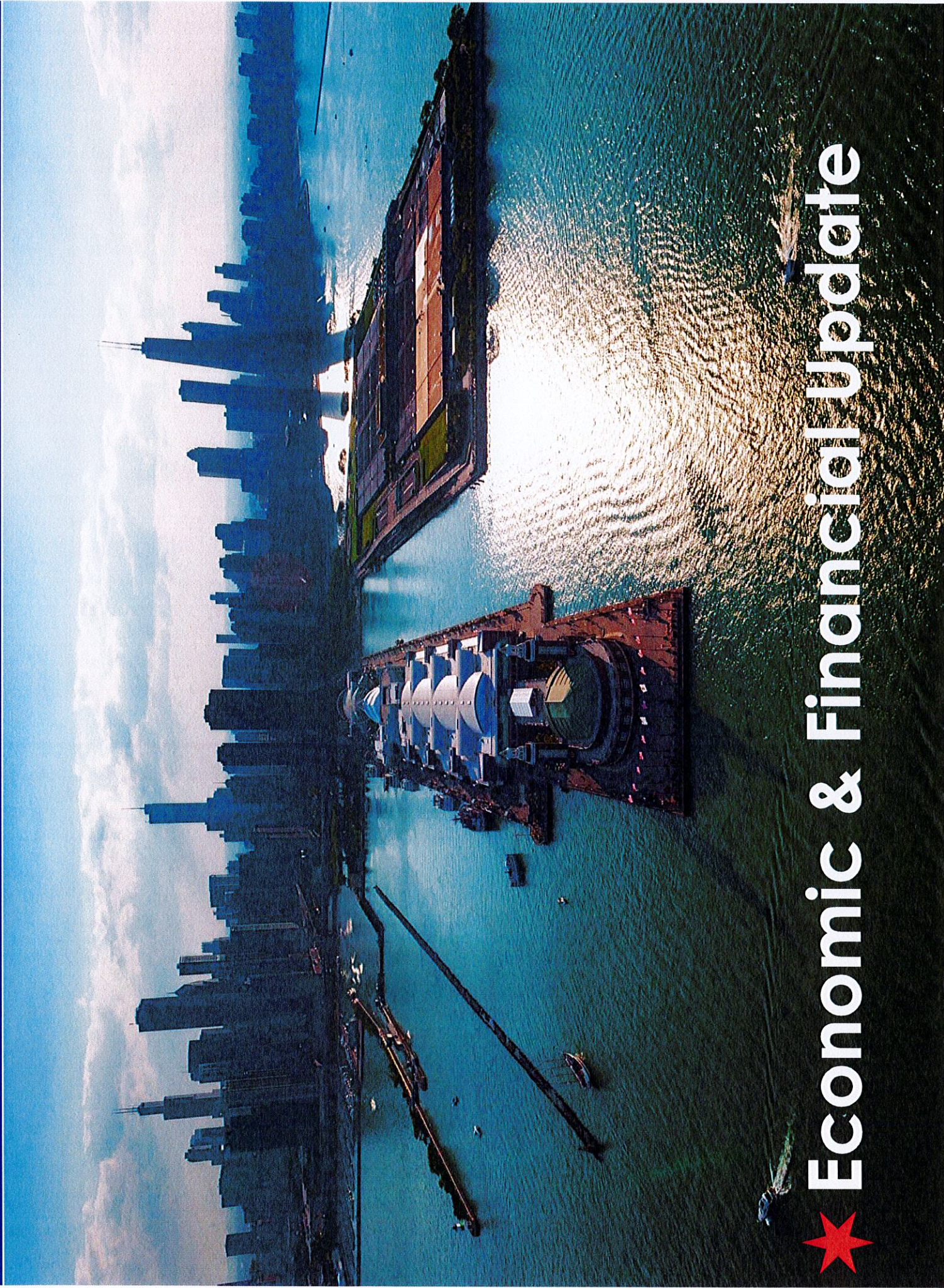
- Large and diverse customer base; City and 120 suburbs with a water service area of 783 square miles
- Population of 5.3 million residents, increasing to 5.6 million in 2030 with addition of Joliet and GPMC*
- Water sales split 52%/48% between City and suburban customers, respectively
- Water Purification Plants provide excess capacity and benefit from continuous capital investment
 - Jardine Water Purification Plant is the largest conventional water purification plant in the world
 - Sawyer Water Purification Plant is 8th largest, will be 2nd largest after filtration upgrade in 2024
- The Water department currently has 78 college-degreed engineers, 16 staff with advanced degrees, 27 college-degreed chemists and 6 college-degreed microbiologists
- Water quality meets or exceeds all federal, state and local standards

Demonstrated History of Financial Strength

- Historic and projected strong coverage levels and robust liquidity and fund balance
 - Cash balances over \$400 million, almost 500 days cash on hand
 - Second Lien Bond Coverage over 4X with Other Available Funds; over 2X based on Net Revenues from operations alone
- Predictable revenue growth supported by built-in rate increases at CPI, capped at 5% yoy; however, City Council has unlimited rate setting authority
- Ongoing capital investment to support system

Strong Economic Demographics

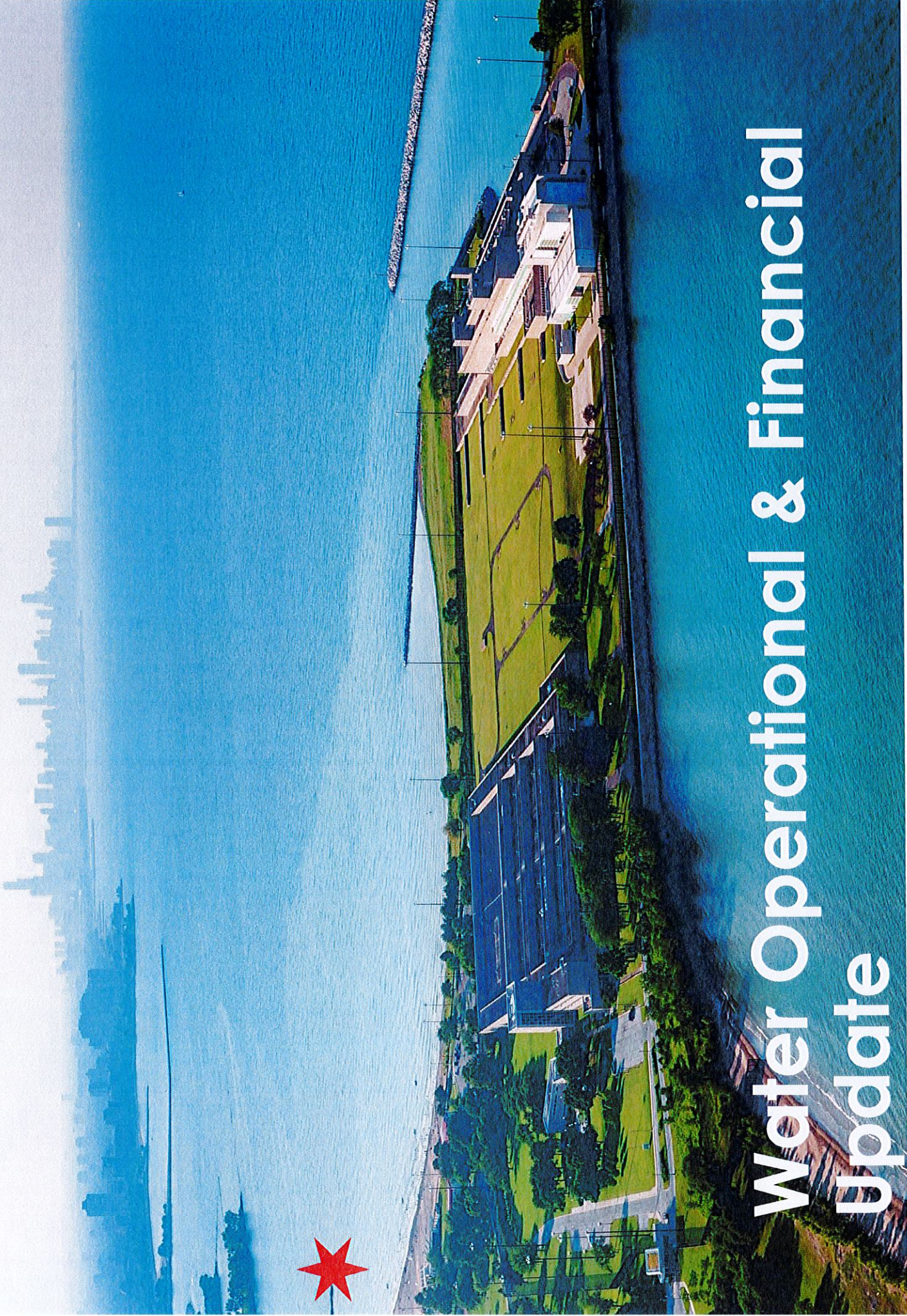
- With \$770 billion GDP (up 10.3% since 2020), Chicago metro area economy is 19th largest in the world
- Regional economy is extremely diverse with no sector at greater than 20% of total employment



★ Economic & Financial Update



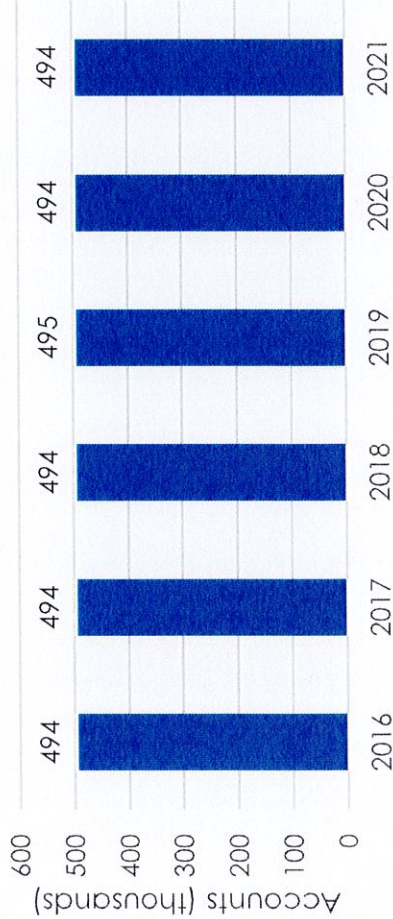
Water Operational & Financial Update



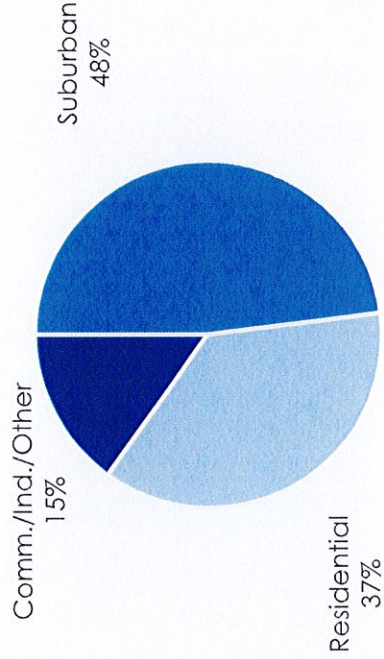
★ Diverse and Stable Customer Base

- Diverse customer base: no one customer represents more than 15% of revenues
- DWM provides supply, treatment, and distribution of drinking water in Chicago and 120 suburbs
 - DWM served 494,329 retail customers in 2021
 - 317,398 customers metered (2021) vs. 205,097 (2012)
 - 176,931 customers were non-metered in 2021
 - Serves ~5.3 million people(41% of State of Illinois)
- Maintains 64 miles of supply tunnels, 4,300 miles of water mains, 2 crib structures, 2 of the world’s largest water treatment plants, 12 pumping stations (9 electric, 3 steam powered), 48,000 fire hydrants and 49,000 valves

Retail Water Accounts



Sales (\$)



| Ten Largest Suburban Customers | | | |
|--------------------------------|-----------------------------------|---------------|--|
| Customer | Amount of Sales (in thousands) | % of Total | |
| DuPage Water Commission | 113,250 | 14.8% | |
| Village of Oak Lawn | 42,415 | 5.6% | |
| NSMJAWA | 41,655 | 5.5% | |
| Village of Bedford Park | 28,736 | 3.8% | |
| City of Harvey | 14,265 | 1.9% | |
| Village of Melrose Park | 14,074 | 1.8% | |
| Town of Cicero | 10,590 | 1.4% | |
| Village of McCook | 9,148 | 1.2% | |
| Village of Alsip | 8,034 | 1.1% | |
| City of Berwyn | 7,598 | 1.0% | |
| Total of Top 10 | \$289,765 | 37.9% | |
| Total Water Sales | \$763,802 | 100.0% | |

★ Water Rates

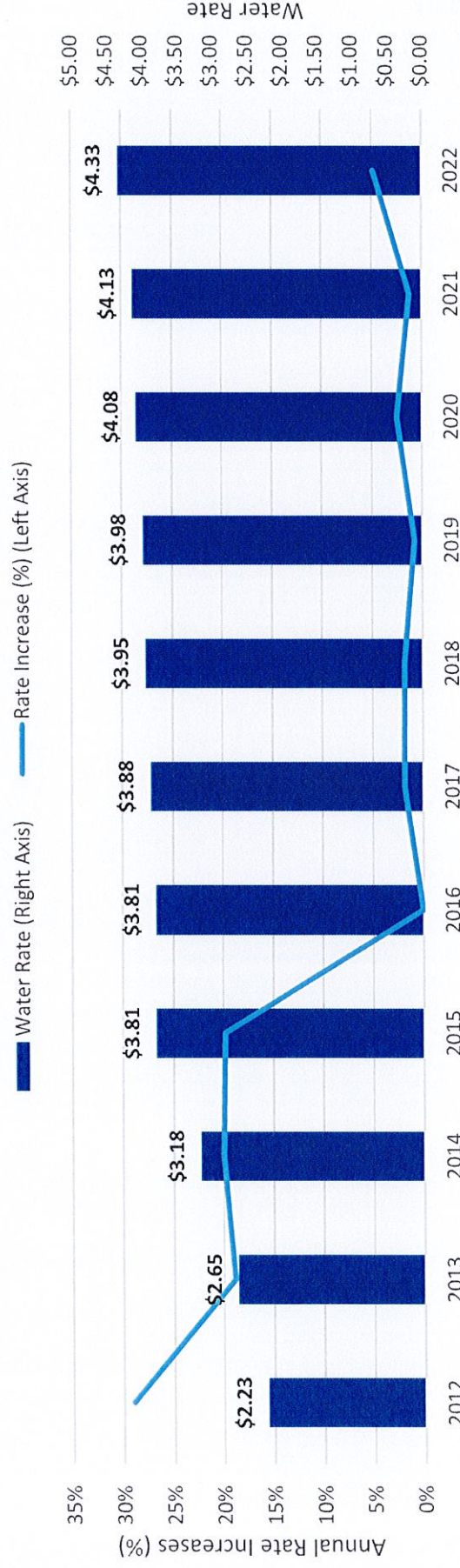
- The City is committed to setting rates to recover costs and to fund continued investments in the Water System

Rate Setting

- Unlimited home rule authority to raise rates
- Rates established by City Council
- Can be adjusted at any time

Automatic Adjustments

- Annually adjusted based upon CPI changes
- 5% cap on growth in rates year-over-year
- On June 1, 2023, the water rate will increase to \$4.55 per 1,000 gallons of water consumed



★ Regional Developments



AWWA Overview

Under AWWA, the City intends to transition to a cost of service rate for its wholesale partners starting in 2030

- This mechanism provides rate predictability and stability to wholesale customers while allowing the City to recover for costs necessary to run the system
- Established precedent and guidance based on AWWA M1, Principles of Water Rates, Fees, Charges, Illinois Case Law, and other large water providers
- Cost of service will be determined based on the portions of the system that each customer uses, creating greater transparency and equity amongst users
- While the growth in the rate over time is currently capped at the inflation cap (or the greater of CPI or 5%), under AWWA the City is allowed to do a 10-year lookback to recover the AWWA rate when it's higher than the inflation cap across a 10-year period

The City established the Chicago Water Partners Advisory Council (CWPAC) to build consensus and input from wholesale customers around rate setting

- On February 24, 2021, the Chicago City Council endorsed the creation of a regional advisory council comprising representatives of all the communities and water systems that receive water service from Chicago (120 communities served throughout the Chicago region supplying water to more than 5 million people in Northeastern Illinois, approximately 41% of Illinois residents)
- The Advisory Council met for the first time in June 2022
- The City has hired a Deputy Commissioner for regional partnerships to manage and strengthen relationships with regional partners

★ Benefits of AWWA Rate Setting Conversion

AWWA rate setting conversion, beginning with Joliet water contract, provides several benefits

- AWWA is industry standard for rate setting nationally as used by peer entities such as Great Lakes Water Authority, Metropolitan Water District of Southern California, City of Houston, Philadelphia Water, San Francisco Public Utilities Commission, and San Diego County Water Authority
- AWWA provides transparency to customers; cost of service requires detailed accounting of components of the system and allocates cost of service to each customer
- Broaden and solidify competitive landscape for Chicago water supply in northeast Illinois
- AWWA conversion kicked off with new financial value to the City of Chicago, or ~\$30 million annually in additional gross revenues from the third most populous city in the State – City of Joliet

Amended & Restated Water Master Trust Indenture (MTI)

1. **Closure of the Senior Lien**, with the City having covenanted under the MTI not to issue any obligations with a claim to Net Revenues of the Water System senior to that of the Second Lien Water Revenue Bonds, including the Series 2023 Bonds
2. **Creation of a Residual Account**, which allows for the more flexible use of funds at the bottom of the waterfall for all legally allowable uses of the system, including debt service, defeasance, fulfilling rate covenants and capital improvements; a residual account is necessary under AWWA to allow the rate of return (e.g., equity) allowed under AWWA to be reinvested in the system
3. **Rate Stabilization Account (RSA) requirement** of 90 days cash on hand (currently no indentured or other requirement; 90 days by policy)
4. **New lien on all Net Revenues** prior to deposit with the Trustee, including monies in the Rate Stabilization Account and Residual Funds (currently lien placed only when monies are deposited into Second Lien accounts)
5. **Streamlined Flow of Funds** provides a cleaner and more focused movement of monies within the water fund
6. **Clarifying changes**, including clarifying that pensions are included in O&M as has been the case historically

In addition to creating the new Master Trust Indenture, **the City adopted a formal Days Cash on Hand policy of 270 days**



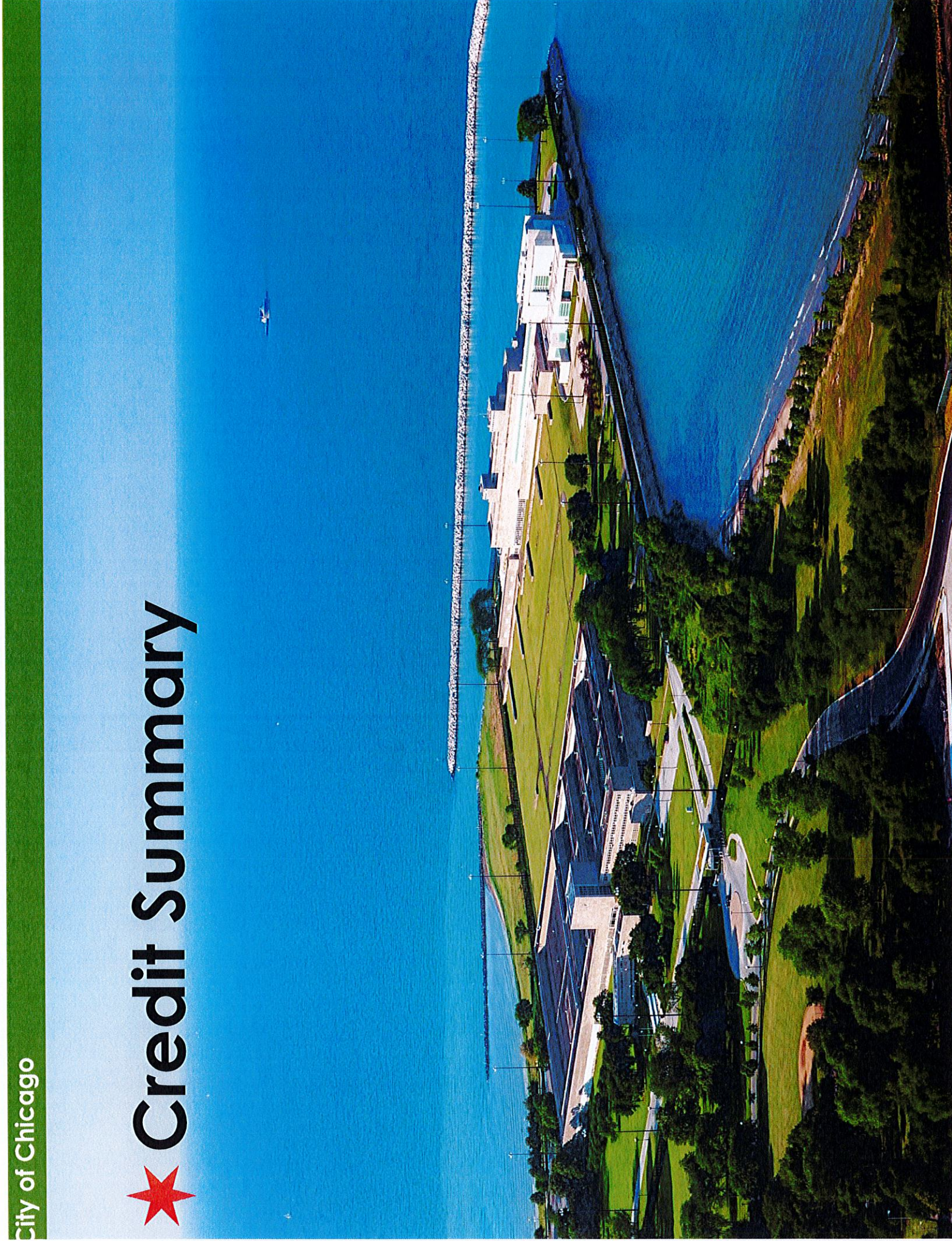
City of Chicago

Second Lien Wastewater Transmission Revenue Bonds, Project Series 2023A
Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2023B



April 20, 2023

★ Credit Summary



Key Credit Strengths

Diverse and Stable Service Area

- The Chicago Sewer System serves approximately 2.7 million people
- The five largest sewer customers accounted for only 2.4% of sewer sales in 2021

History of Approving Rate Increases

- Rate flexibility and predictable revenue growth supported by built-in rate increases at CPI
- Since 2016, rates have been automatically increased annually at CPI without City Council approval

New MTI Focused on Bondholder Protections

- Newly established Master Trust Indenture pursuant to which 2023 bonds will be offered
- New Master Trust Indenture increases Rate Covenant and Additional Bonds Test to 110% on second lien wastewater bonds

New Financial Policies Strengthen the Sewer Fund's Finances

- The City has segregated Sewer funds from the City's General Fund since 2019
- 270 Days Cash on Hand policy (Days Cash on Hand as of December 31, 2021 equals 575 days)

Intentional Financing Structure

- Conservatively managed capital structure with 100% of Wastewater bonds at a fixed rate
- Level or descending debt service structure conducive to future CIP borrowings
- Coverage ranges from 2.41x to 2.78x from 2022 through 2026

Strategic Capital Improvement Program

- The accelerated 2012 to 2021 CIP addressed deferred maintenance through the construction of 212 miles of sewer main, 546 miles of sewer main lined, and construction of 101,000 sewer structures

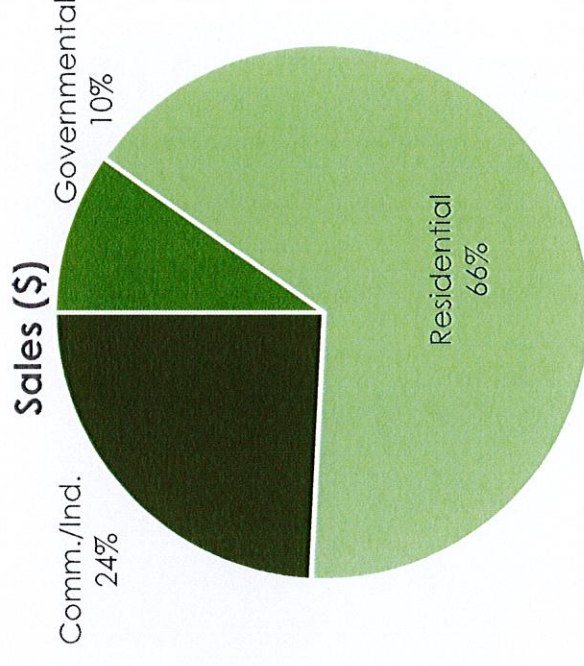
An aerial photograph of Lake Michigan with the Chicago skyline in the background. Two large floating structures are in the water. The one on the left is a long, narrow platform with a series of white, dome-like structures. The one on the right is a larger, rectangular platform with a colorful, multi-colored roof. The water is a deep blue, and the sky is a mix of blue and white clouds.

★ Operational & Financial Update

★ Diverse and Stable Customer Base

- Serves approximately 2.7 million people
- Approximately 4,400 miles of sewers and more than 350,000 sewer structures
- Collects and transmits sanitary and storm water to the Metropolitan Water Reclamation District of Greater Chicago for treatment and disposal
- Revenues not heavily reliant on any sector or individual customer
 - The system's five largest customers accounted for approximately 2.4% of 2021 sales
- Approximately 494,329 sewer accounts, including 62,680 exempt accounts

| Five Largest Sewer Customers | | | |
|-----------------------------------|----------------------|--------------|--|
| Customer | Sales (in thousands) | % of Total | |
| Department of Aviation | \$3,343 | 0.89% | |
| CPD - Lincoln Park | 1,679 | 0.44% | |
| University of Illinois at Chicago | 1,383 | 0.37% | |
| Ford Motor Co. | 1,377 | 0.36% | |
| WR Grace and Company | 1,322 | 0.35% | |
| Top 5 Sales | 9,104 | 2.41% | |
| Total Sewer Sales | \$378,566 | 100% | |



★ Sewer Rates¹

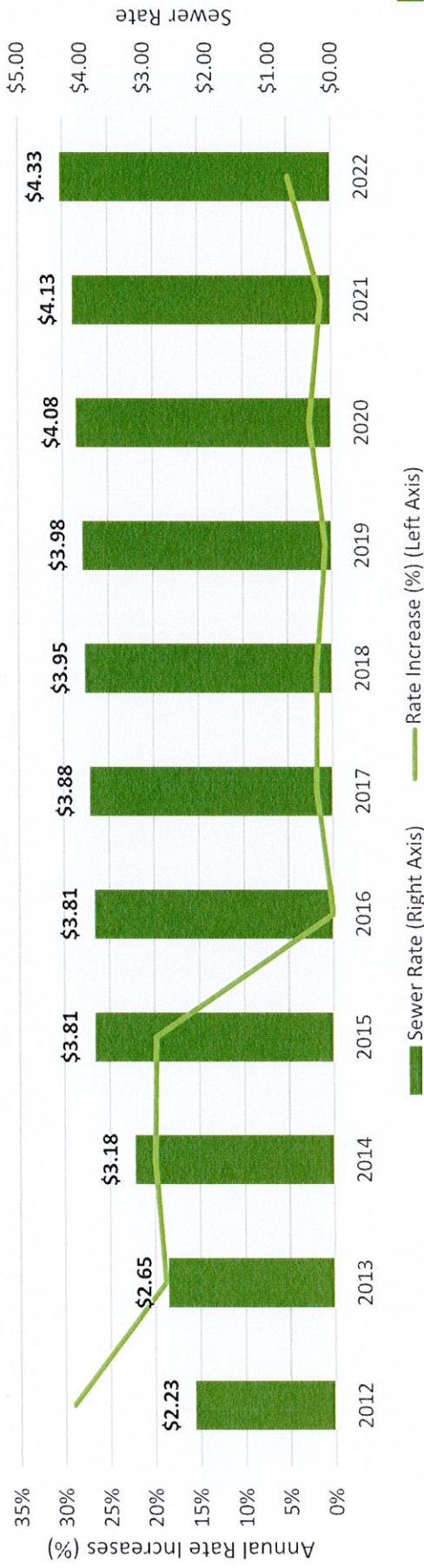
- The City commits to setting rates to recover costs and to fund continued investments in the Wastewater System

Rate Setting

- Unlimited home rule authority to raise rates
- Rates established by City Council
- Can be adjusted at any time
- Since 2015, Sewer rates have been equal to Water rates

Automatic Adjustments

- Annually adjusted based upon lesser of: (a) CPI (Chicago All Items) changes and (b) 5%
- On June 1, 2023, the sewer rate will increase to \$4.55 per 1,000 gallons of water consumed (equal to the water rate)



¹ Source: Amawalk Consulting Group, LLC, Rates as of 2022.



Creation of a New Master Trust Indenture

- Previously wastewater bonds issued pursuant to ordinances and series by series trust indentures without a master trust indenture
- The Series 2023 Bonds are the first bonds being issued under a new Master Trust Indenture
- The new Master Trust Indenture features:
 1. **Effective Closing of Senior Lien:** City covenants not to issue additional obligations senior to the second lien
 2. **Rate Covenant and Additional Bonds Test Increased to 110%** on second lien wastewater bonds
 3. **Rate Stabilization Account Requirement** of 90 Days Cash on Hand
 4. **Creation of a Residual Account** at the bottom of the flow of funds for all legally allowable uses of the system, including debt service
 5. **Streamlined Flow of Funds** provides a cleaner and more focused movement of monies within the wastewater fund and dictates that pensions are included in O&M as has been the case historically
- In addition to creating the new Master Trust Indenture, **the City adopted a formal Days Cash on Hand policy of 270 days**
- As part of the City's financial policies, **Sewer funds are segregated from the City's general fund**

EXHIBIT 16

Subject to the accuracy of certain representations and continuing compliance by the City of Chicago with certain covenants, in the respective opinions of ArentFox Schiff LLP and Golden Holley James, LLP, Co-Bond Counsel, under present law, interest on the Bonds is excludable from the gross income of their owners for federal income tax purposes and thus will be exempt from present federal income taxes based upon gross income. Such interest is not included as an item of tax preference in computing the federal alternative minimum tax on individuals. Interest on the Bonds is included in computing the adjusted financial statement income of those corporations subject to the corporate alternative income tax. Interest on the Bonds is not exempt from present Illinois income taxes. See "TAX MATTERS" in this Official Statement for a more complete discussion of these matters.



\$452,575,000
CITY OF CHICAGO

\$260,105,000
Second Lien Wastewater Transmission
Revenue Bonds, Project Series 2023A

\$192,470,000
Second Lien Wastewater Transmission
Revenue Bonds, Refunding Series 2023B

Dated: Date of Delivery

Due: As Shown on the Inside Cover Pages

This Official Statement contains information relating to the City of Chicago (the "City") Second Lien Wastewater Transmission Revenue Bonds, Project Series 2023A (the "Series 2023A Bonds") and Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2023B (the "Series 2023B Bonds") and, together with the Series 2023A Bonds, the "Bonds") which will be issued pursuant to a Master Indenture of Trust dated as of May 1, 2023 and a First Supplemental Indenture dated as of May 1, 2023 (together, the "Indenture") from the City to Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "Trustee"). Prior to the issuance of the Bonds and the effectiveness of the Indenture, each series of the Outstanding Second Lien Wastewater Transmission Revenue Bonds of the City were issued on a parity basis under their own respective trust indentures. The Bonds will be issuable as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable on each January 1 and July 1, with the first interest payment date being January 1, 2024. Principal of the Bonds is payable at maturity or upon redemption prior to maturity. Principal of and interest on the Bonds will be paid by the Trustee to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Bonds will be made to such registered owner, and disbursement of such payments to beneficial owners will be the responsibility of DTC and its participants. See "DESCRIPTION OF THE BONDS—Book-Entry Only System" herein.

The Bonds are subject to redemption prior to maturity as described in this Official Statement. See "DESCRIPTION OF THE BONDS—Redemption" herein.

The Bonds are limited obligations of the City having a claim for payment of principal and interest solely from Second Lien Bond Revenues on an equal and ratable basis with all other Second Lien Bonds that are Outstanding from time to time. The Bonds are secured by and payable from certain moneys and securities held by the Trustee under the Indenture. The Bonds, together with any other Outstanding Second Lien Bonds, are also secured by and payable from any amounts on deposit in Second Lien Construction Accounts. The claim of the Bonds, together with any other Outstanding Second Lien Bonds, to Net Revenues Available for Bonds is junior and subordinate to the claim of the City's Outstanding Senior Lien Bonds and any future Senior Lien Parity Bonds as described herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp. ("AGM").



The City will use the proceeds from the sale of the Series 2023A Bonds to (i) finance or reimburse the City for certain capital improvements to and extensions of the wastewater transmission system of the City, (ii) fund capitalized interest on the Series 2023A Bonds and (iii) pay costs of issuance of the Series 2023A Bonds. The City will use the proceeds from the sale of the Series 2023B Bonds to (i) refund certain Outstanding Second Lien Wastewater Transmission Revenue Bonds of the City, and (ii) pay costs of issuance of the Series 2023B Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION AS TO INDEBTEDNESS. THE BONDS DO NOT HAVE A CLAIM FOR PAYMENT FROM ANY TAXES OF THE CITY. THE BONDS ARE NOT SECURED BY A LIEN ON OR A SECURITY INTEREST IN THE PHYSICAL ASSETS OF THE SEWER SYSTEM. THE CITY SHALL NOT BE OBLIGATED TO PAY THE BONDS EXCEPT FROM THE REVENUES PLEDGED TO THEIR PAYMENT. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION OF THE STATE OF ILLINOIS IS PLEDGED TO THE PAYMENT OF THE BONDS.

Maturities, Principal Amounts, Interest Rates, Prices, Yields and CUSIP Numbers are set forth on the inside cover pages.

The Bonds are offered when, as and if issued, and accepted by the Underwriters, subject to delivery of separate approving legal opinions by ArentFox Schiff LLP, Chicago, Illinois, and Golden Holley James, LLP, Chicago, Illinois, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the City by (i) its Acting Corporation Counsel, and (ii) in connection with the preparation of this Official Statement, Charity & Associates, P.C., Chicago, Illinois, and BurgherGray LLP, Chicago, Illinois, Co-Disclosure Counsel to the City. Certain legal matters will be passed on for the Underwriters by Chico & Nunes, P.C., Chicago, Illinois. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about May 11, 2023.

Stifel, Nicolaus & Company, Incorporated

Siebert Williams Shank & Co., LLC

Stinson Securities, LLC

Valdés & Moreno Inc.

PNC Capital Markets LLC

Cabrera Capital Markets LLC

Blaylock Van, LLC

Dated: May 4, 2023

casualties or acts of God, freight embargo, labor strikes or work stoppages, civil commotion, new acts of war or escalation of existing war conditions, sabotage, terrorism or enemy action, pollution, unknown subsurface or concealed conditions affecting the environment, and any similar causes and unanticipated events. No assurance can be provided that such events will not occur, and, if any such events were to occur, the effect of such event or events on the Department's and City's operations and financial condition on the Net Revenues Available for Bonds cannot be predicted.

Other Considerations

Debt Covenants. The City is obligated to comply with the Rate Covenant. Failure to comply with the Rate Covenant, if not cured or waived, could result in the City being required to repay or finance the related borrowings before their due date, limit future borrowings, cause cross-default issues, and increase borrowing costs. If forced to repay or refinance (on less favorable terms) these borrowings, the Department's business, financial condition, and results of operations could be adversely affected by increased costs and rates.

Sewer Rates. While there is currently no State statute regulating Sewer rates, future State statutes or court decisions could limit or otherwise adversely affect the City's ability to set sewer rates. See "—Adverse Change in Laws" above.

Forward-Looking Statements

This Official Statement contains certain statements relating to future results that are forward-looking statements. When used in this Official Statement, the words "estimate," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, bondholders and potential investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material. The City does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

LITIGATION

There are no pending legal proceedings to which the City is a party or to which any of its property is subject that may materially affect the City's ability to pay the principal of and interest on the Bonds when they become due.

The City, like other large municipalities, is involved in various litigation relating principally to claims arising from contracts, personal injury, property damage, tax claims, police conduct and other matters. However, there is neither litigation pending nor, to the best of the City's knowledge, threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds, or except as disclosed herein, materially adversely affecting the collection, pledge or application of any moneys or security provided for the payment of the Bonds.

Farmer v. City of Chicago. This case is a putative class action in the Circuit Court of Cook County, Illinois challenging the reasonableness of the City's water rates and sewer rates. In particular, the plaintiff alleges that the various exemptions for hospitals, certain government organizations and non-profits cause non-exempt customers to pay more, causing their rates to be unreasonable. The plaintiff seeks, on behalf of a class of City water and sewer customers, "disgorgement" of the excess charges in the period 2016 to the present. The City has filed a motion to dismiss. The motion has been briefed and argued and a decision is pending. The City is vigorously defending this case.

Should the Mayor veto the approved annual appropriation ordinance, the City Council may override the veto with a two-thirds vote.

The City Council may also refuse to approve the Mayor's proposed annual budget. In such a case, the appropriate process for passage of the City budget may have to be judicially determined. By law, the City's budget must be approved by December 31 of the year preceding the budget year. The City's 2023 budget was approved by the City Council on November 7, 2022.

During each year, the Budget Director uses an allotment system to manage each department's expenditures against its respective annual appropriation. The Budget Director requires departments to submit quarterly allotment budgets which the Budget Director, in turn, monitors. Should any department's expenditures exceed its receipt of revenues, the Budget Director, through the quarterly budget allotment procedure, has the authority to institute economy measures against such department to ensure that its expenditures do not exceed or outpace its revenue collection. During 2022, there were no such restrictions in the Department's quarterly expenditures.

The Financial Policies of the Sewer System

The City has developed the following financial policies applicable to the Sewer System (the "Financial Policies"):

Segregation of Funds.

Since 2019, the City has maintained all cash and investments of the Sewer Fund in separate bank accounts from the City's general accounts, including those of the Corporate Fund of the City. Gross Revenues of the Sewer System are deposited directly in the segregated accounts after they are allocated from the Unified Bill. As part of the Financial Policies, the City intends to continue maintaining all cash and investment of the Sewer Fund in segregated bank accounts.

Days Cash on Hand.

In addition to the requirement in the Indenture that the City maintain amounts in the Sewer Rate Stabilization Account equal to at least 90 Days' Cash On Hand, the City also intends to maintain at least 270 Days' Cash On Hand. For the purpose of calculating Days' Cash On Hand under the Financial Policies, the balance in the Sewer Rate Stabilization Account will be included, along with any unrestricted cash and investments and any other restricted cash and investments available for the payment of debt service. The City calculates Sewer Fund Days' Cash On Hand as of December 31, 2021 to equal 575 days, and projects that Days' Cash On Hand for the projection period will remain at comparable levels.

The Financial Policies as described above are not a legal requirement to which the City is bound but represent practices that, as of the date of this Official Statement, the City intends to follow in connection with the financial operations of the Sewer System. Subject to compliance by the City with the requirements of the Indenture, the Financial Policies may be changed, terminated in whole or in part, or disregarded in whole or in part at the City's discretion. No assurance can be given regarding future compliance by the City with the Financial Policies.

EXHIBIT 17

Water Fund
An Enterprise Fund of
The City of Chicago

Annual Comprehensive Financial Report
For the Year Ended December 31, 2022



Prepared By:
The Department of Water Management
Bureau of Administrative Support

CITY OF CHICAGO, ILLINOIS WATER FUND

STATEMENT OF NET POSITION AS OF DECEMBER 31, 2022 (In thousands)

| ASSETS | | LIABILITIES | |
|---|--------------|---|-------------|
| CURRENT ASSETS: | | CURRENT LIABILITIES: | |
| Cash and cash equivalents (Note 2) | \$ 14,587 | Accounts payable | \$ 27,428 |
| Investments (Note 2) | 527,213 | Due to other City funds | 260,519 |
| Accounts receivable—net of allowance for doubtful accounts of approximately \$243,200 in 2022 | 220,606 | Accrued liabilities | 189,086 |
| Interest receivable | 4,563 | Lease liability—current | 23,769 |
| Due from other City funds | 67,226 | Liabilities payable from restricted assets: | |
| Inventories | 25,142 | Accounts payable | 38,385 |
| Cash and cash equivalents—restricted | 82,198 | Interest payable | 17,712 |
| Investments—restricted | 90,532 | Current portion of long-term debt (Note 4) | 116,655 |
| Interest receivable—restricted | 22 | Total current liabilities | 673,554 |
| Total current assets | 1,032,089 | NONCURRENT LIABILITIES: | |
| NONCURRENT ASSETS: | | Long-term debt—net of current maturities (Note 4) | 2,286,606 |
| Right to use asset (Note 10) | 97,768 | Net pension liability (Note 6) | 1,198,672 |
| Other assets | 2,094 | Lease liability (Note 10) | 73,263 |
| Utility plant (Note 5): | | Water pipe extension certificates | 1,577 |
| Land and land rights | 16,483 | Total noncurrent liabilities | 3,560,118 |
| Structures and improvements | 610,422 | Total liabilities | 4,233,672 |
| Distribution plant | 4,793,914 | | |
| Equipment | 869,567 | DEFERRED INFLOWS (Note 9) | |
| Construction in progress | 450,246 | | 95,429 |
| Total utility plant | 6,740,632 | NET POSITION (Note 1): | |
| Less accumulated depreciation | (1,537,921) | Net investment in capital assets | 2,849,430 |
| Utility plant—net | 5,202,711 | Restricted for capital projects | 22 |
| Total noncurrent assets | 5,302,573 | Unrestricted | (767,506) |
| DEFERRED OUTFLOWS (Note 9) | | Total net position | 2,081,946 |
| | 76,385 | | |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 6,411,047 | TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | \$6,411,047 |

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS

WATER FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2022 (In thousands)

OPERATING REVENUES:

| | |
|--------------------------------------|------------|
| Water sales: | |
| Water sales | \$ 785,327 |
| Less provision for doubtful accounts | (33,092) |
| Water sales—net | 752,235 |
| Other operating revenues | 27,579 |
| Total operating revenues | 779,814 |

OPERATING EXPENSES:

| | |
|---|---------|
| Source of supply | 213 |
| Power and pumping | 45,319 |
| Purification | 73,519 |
| Transmission and distribution | 61,766 |
| Customer accounting and collection | 22,886 |
| Administrative and general | 14,197 |
| Central services and general fund reimbursements | 145,162 |
| Pension expense (Note 6) | 67,422 |
| Total operating expenses before depreciation and amortization | 430,484 |

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION 349,330

DEPRECIATION AND AMORTIZATION 110,978

OPERATING INCOME 238,352

NONOPERATING REVENUES (EXPENSES):

| | |
|---------------------------------|-----------|
| Interest income (loss) | (66,924) |
| Interest expense | (90,967) |
| Other | 2,387 |
| Total nonoperating expenses—net | (155,504) |

TRANSFERS OUT (2,420)

CHANGE IN NET POSITION 80,428

TOTAL NET POSITION—Beginning of year 2,001,518

TOTAL NET POSITION—End of year \$ 2,081,946

See notes to basic financial statements.

EXHIBIT 18

Sewer Fund
An Enterprise Fund of
The City of Chicago

Annual Comprehensive Financial Report
For the Year Ended December 31, 2022



Prepared By:
The Department of Water Management
Bureau of Administrative Support

CITY OF CHICAGO, ILLINOIS SEWER FUND

STATEMENT OF NET POSITION AS OF DECEMBER 31, 2022 (In thousands)

| ASSETS | | LIABILITIES | |
|---|--------------|---|--------------|
| CURRENT ASSETS: | | CURRENT LIABILITIES: | |
| Cash and cash equivalents (Note 2) | \$ 10,408 | Accounts payable | \$ 4,766 |
| Investments (Note 2) | 113,331 | Due to other City funds | 42,142 |
| Accounts receivable—net of allowance for doubtful accounts of approximately \$172,336 in 2022 | 113,950 | Accrued liabilities unrestricted | 58,843 |
| Due from other City funds | 30,041 | Lease liability (Note 10) | 20,791 |
| Inventories | 669 | Liabilities payable from Restricted Assets | |
| Cash and cash equivalents—restricted (Note 2) | 131,650 | Accounts payable | 45,196 |
| Investments—restricted (Note 2) | 68,970 | Accrued liabilities | 30,626 |
| Interest receivable—restricted (Note 2) | 1,010 | Current portion of long-term debt (Note 4) | 86,181 |
| Total current assets | 470,029 | Interest payable | 39,291 |
| | | Total current liabilities | 327,836 |
| NONCURRENT ASSETS: | | NONCURRENT LIABILITIES: | |
| Other assets | 899 | Lease liability (Note 10) | 63,630 |
| Right to use lease asset (Note 5) | 85,015 | Net pension liability (Note 6) | 442,211 |
| | | Long-term debt—net of current maturities (Note 4) | 1,928,328 |
| Utility plant (Note 5): | | | |
| Land and land rights | 560 | Total noncurrent liabilities | 2,434,169 |
| Facilities and structures | 3,869,924 | | |
| Furniture and equipment | 32,751 | Total liabilities | 2,762,005 |
| Construction in progress | 126,179 | | |
| Total utility plant | 4,029,414 | DEFERRED INFLOWS (Note 9) | 45,755 |
| Less accumulated depreciation | (869,549) | | |
| Utility plant—net | 3,159,865 | NET POSITION (Note 1): | |
| Total noncurrent assets | 3,245,779 | Net investment in capital assets | 1,087,602 |
| Total assets | 3,715,808 | Restricted for capital projects | 69,193 |
| | | Unrestricted | (219,460) |
| | | Total net position | \$ 937,335 |
| DEFERRED OUTFLOWS (Note 9) | | | |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | \$ 3,745,095 | TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | \$ 3,745,095 |

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS SEWER FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2022 (In thousands)

OPERATING REVENUES:

Sewer service:

| | |
|--------------------------------------|---------------|
| Sewer service—gross | \$ 390,059 |
| Less—provision for doubtful accounts | <u>23,183</u> |

| | |
|-------------------|---------|
| Sewer service—net | 366,876 |
|-------------------|---------|

| | |
|-------|------------|
| Other | <u>836</u> |
|-------|------------|

| | |
|--------------------------|----------------|
| Total operating revenues | <u>367,712</u> |
|--------------------------|----------------|

OPERATING EXPENSES:

| | |
|---------|--------|
| Repairs | 27,513 |
|---------|--------|

| | |
|-----------------------------|--------|
| General Fund reimbursements | 55,478 |
|-----------------------------|--------|

| | |
|--------------------------|--------|
| Pension expense (Note 6) | 21,466 |
|--------------------------|--------|

| | |
|-------------|--------|
| Maintenance | 14,406 |
|-------------|--------|

| | |
|-------------|-------|
| Engineering | 6,162 |
|-------------|-------|

| | |
|----------------------------|---------------|
| Administrative and general | <u>14,093</u> |
|----------------------------|---------------|

| | |
|---|---------|
| Total operating expenses before depreciation and amortization | 139,118 |
|---|---------|

| | |
|-------------------------------|---------------|
| Depreciation and amortization | <u>78,728</u> |
|-------------------------------|---------------|

| | |
|--------------------------|----------------|
| Total operating expenses | <u>217,846</u> |
|--------------------------|----------------|

| | |
|------------------|----------------|
| OPERATING INCOME | <u>149,866</u> |
|------------------|----------------|

NONOPERATING REVENUE (EXPENSES):

| | |
|--------------------------|----------|
| Investment income (loss) | (17,178) |
|--------------------------|----------|

| | |
|------------------|----------|
| Interest expense | (83,918) |
|------------------|----------|

| | |
|-------|---------------|
| Other | <u>25,493</u> |
|-------|---------------|

| | |
|-----------------------------------|----------|
| Total nonoperating expenses — net | (75,603) |
|-----------------------------------|----------|

| | |
|---------------|--------------|
| TRANSFERS OUT | <u>(120)</u> |
|---------------|--------------|

| | |
|------------------------|--------|
| CHANGE IN NET POSITION | 74,143 |
|------------------------|--------|

| | |
|--------------------------------------|----------------|
| TOTAL NET POSITION—Beginning of year | <u>863,192</u> |
|--------------------------------------|----------------|

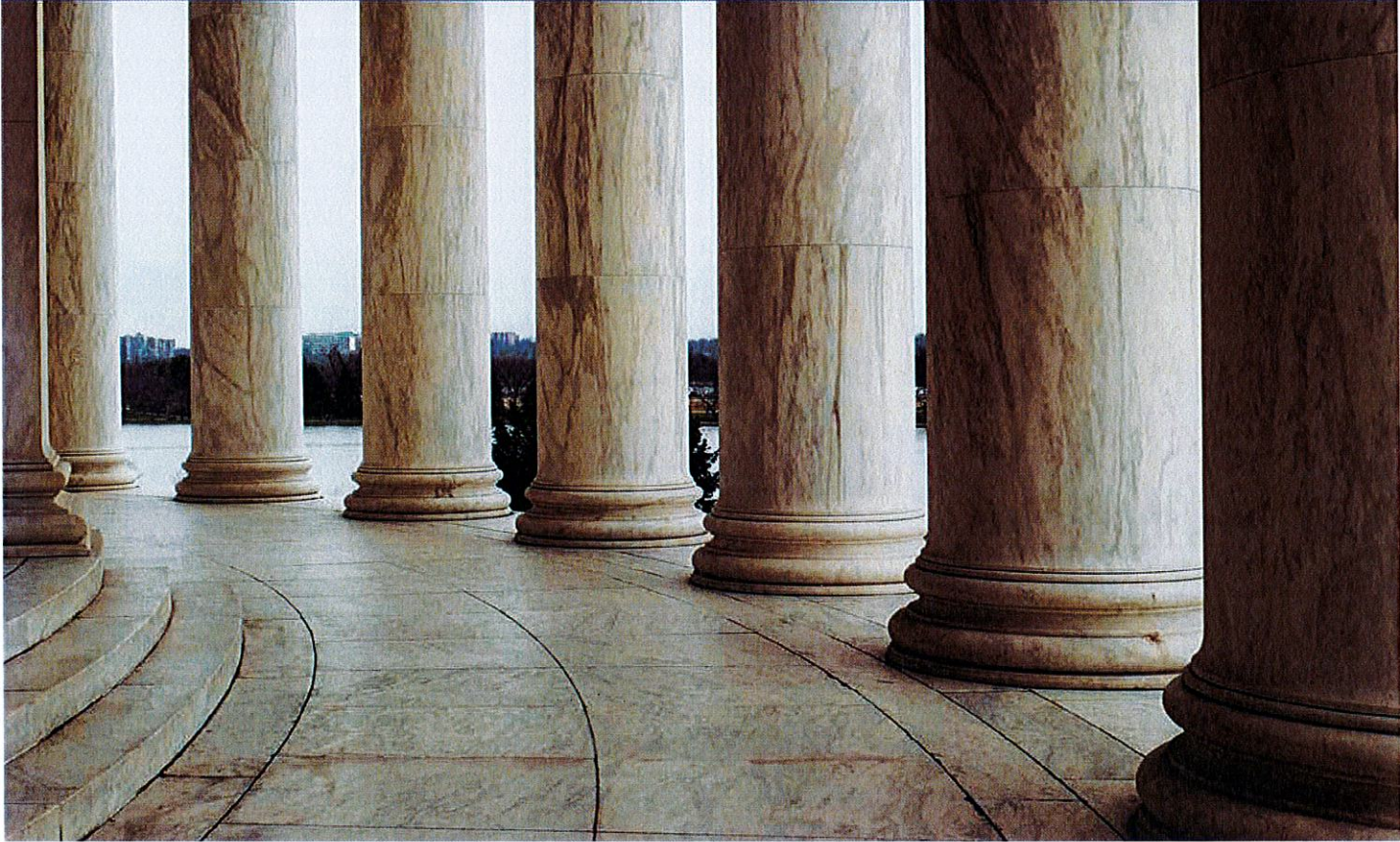
| | |
|--------------------------------|-------------------|
| TOTAL NET POSITION—End of year | <u>\$ 937,335</u> |
|--------------------------------|-------------------|

See notes to basic financial statements.

EXHIBIT 19

| | | 2019 Cost Allocation Plan | 2020 growth | Est. 2020 | 2021 growth | est. 2021 | 2022 growth | Est. 2022 |
|--------------|-------------------------------|------------------------------|-------------|--------------|-------------|--------------|-------------|--------------|
| 0200.99.9611 | Water Indirect | \$65,335,924 | 2.00% | \$66,642,642 | 2.00% | \$67,975,495 | 2.00% | \$69,335,005 |
| 0200.99.9645 | Water Pension (Indirect Only) | #VALUE! | 2.00% | #VALUE! | 2.00% | #VALUE! | 2.00% | #VALUE! |
| 0314.99.9617 | Sewer Indirect | \$35,486,181 | 2.00% | \$36,195,905 | 2.00% | \$36,919,823 | 2.00% | \$37,658,220 |
| 0314.99.9645 | Sewer Pension (Indirect only) | \$13,691,206 | 2.00% | \$13,965,030 | 2.00% | \$14,244,330 | 2.00% | \$14,529,217 |

EXHIBIT 20



Central Services Cost Allocation Plan

City of Chicago, Illinois

**FY 2020
Full Cost Allocation Plan**

Based on actual expenditures for
Fiscal Year ending December 31, 2020

Indirect Cost Allocation Plan

City of Chicago, Illinois

FY 2020
Full Cost Allocation Plan

Based on actual expenditures for
Fiscal Year ending December 31, 2020

Section A: Cost Allocation Methodology and Process



All Monetary Values are US Dollars
MAXCAP 2022 MAXIMUS Consulting Services, Inc.
Prepared By MAXIMUS Consulting Services, Inc.

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Cost Allocation Methodology and Process

A. Cost Allocation Methodology and Process

The Cost Allocation Plan (CAP) provided in *Section C* was prepared by MAXIMUS Consulting Services, Inc. (MAXIMUS) for CITY OF CHICAGO, ILLINOIS. Utilizing our proprietary, web-based cost allocation system, MAXCAP™, MAXIMUS used cost data and allocation statistics to allocate the costs to departments/divisions /programs for Fiscal Year (FY) 2020.

MAXCAP uses a double step-down allocation procedure to distribute costs among Central Services and to departments that receive benefits. Using MAXCAP, costs are input by cost center identifications consistent with the entity's accounting code structure, which allows for efficient balancing with the entity's financial reporting systems. Additionally, MAXCAP provides for the inputting of allocation statistics appropriate for the distribution of the identified indirect cost pools. Credits for direct-billed payments, cost adjustments, and other valid and applicable costing factors are also facilitated within the software.

In this section, we provide an overview of our cost allocation methodology and process used to develop the CAP.

A.1 Cost Allocation Methodology

MAXIMUS employs a double step-down procedure that allows all Central Service Departments to allocate costs to all other Central Service Departments. Since Central Service Departments' costs are not simultaneously allocated, the process must be performed sequentially, one department after another. The second step-down allows for the equitable allocation of the costs the Central Service Departments receive from one another.

Typically, CAPs are compiled using a single step down or "waterfall" methodology in which the costs of Central Service Departments are allocated in an ordinal sequence with emphasis placed on ordering non-departmental and departmental cost groupings to optimize the flow of costs to recoverable program areas. Although this is an acceptable method resulting in accurate program allocations, it provides only partial information as to the costs of individual Central Service Departments and their significant activities.

To demonstrate the potential inequity of a single step-down, consider the costs of the Facilities Management and Purchasing activities. Facilities Management manages and maintains the office space that Purchasing uses to serve departments. Facilities costs are rightfully allocable to all the departments that have space in government buildings. If Facilities Management costs are allocated after Purchasing, the cost of Purchasing's space will be allocated to the other departments in the building. It could be argued that this method then allocates costs to departments disproportionate to the benefit received from those costs.

MAXIMUS double step-down approach mitigates potential allocation inequities and has been widely accepted by federal cognizant agencies for more than 30 years.

A.1.1 First Step-Down

The first step-down allows each Central Service Department to allocate to any other department, regardless of the sequence of the departments. The department also can allocate to itself providing the statistical measurements indicate a basis for the allocations.

Process

The process of allocating during this round is achieved sequentially, consistent with the order of the Central Service Departments. As each Central Service Department performs its allocations it allocates:

- Costs from entity financial records
- Cost adjustments
- Credits
- Costs received from other Central Service Departments that have completed their first round allocations

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Cost Allocation Methodology and Process

- **Results**

At the completion of the first step-down, each Central Service Department has the allocated costs from itself and from the Central Service Departments sequenced before it.

A.1.2 Second Step-Down

The rule for the second step-down is that each Central Service Department can allocate only to another department sequenced after the allocating department; provided that the statistical measurements indicate a basis for the allocations.

Process

The process of allocating during the second step-down is achieved sequentially and consistent with the order of the Central Service Departments. As each Central Service Department performs its allocations, it allocates:

- Costs received from other Central Service Departments that have completed their second round allocations
- Costs received in the first step-down from itself and from the Central Service Departments sequenced after the allocating department

Results

At the completion of the second step-down, each Central Service Department has completed all allocations and all Central Service Departments have been cleared of all costs. The costs have either been adjusted out of the cycle or sent to Receiving Departments based on the allocation statistics.

A.1.3 Supplemental Comments

When the relationship between and among the Central Service Departments is greatly intertwined, it may be prudent to implement three or more step-downs. Typically, the double step-down is sufficient to accomplish an equitable allocation of all costs.

If more than two step-downs are required the rules for all rounds of allocation — except the final round — are the same as defined above for the first step-down. The final round always follows the rules, as defined above, for the second step-down.

A.2 Cost Allocation Process

The process utilized by MAXIMUS in developing the CAP and tracking costs within it is discussed below.

A.2.1 Initiating the Process

Working in conjunction with the entity, MAXIMUS determines data to be included within the cost allocation process based on:

- Application of federal cost principles or full costing principles, as applicable
- Interviews
- Review of financial documents
- Review of organizational structure
- Analysis of statistical data relative to benefit of services provided

A.2.2 Establishing the Cost Pools to be Allocated

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Cost Allocation Methodology and Process

MAXIMUS analyzes the organizational structure of the entity to determine which departments or cost pools provide services to other departments/divisions/programs. These cost pools become the "Central Service Departments" in the CAP.

Next, each cost pool is evaluated to determine the activities or services provided. The costs are then broken into subparts or activities such that each activity can be allocated on a statistical measure that is relevant to the service provided and the benefit received.

Line items of expenditures are analyzed to determine which activities receive the benefit of the costs. Distributions of these costs are made according to the determined benefit of each activity.

A.2.3 Establishing the Statistical Measurements or Bases for Allocation

MAXIMUS evaluates available statistical measurements to establish the most equitable and meaningful basis for allocating each activity within each Central Service Department. Consideration is given to determining the measurement that most appropriately demonstrates its relationship to the receiving units. For example, an activity that is driven by the number of employees within the benefiting departments can be allocated by number of employees. Similarly, an activity that is driven by the number of transactions for each benefiting department can be allocated by the number of transactions.

A.2.4 Accommodating Exceptions and Adjustments

Applicable cost adjustments for unallowable costs and/or capitalized assets are incorporated into the appropriate schedules. Credits for direct billings, special revenues, etc. are entered into the computation.

A.2.5 Developing the CAP

The MAXIMUS Cost Allocation Plan typically is organized as follows:

- Cover
- Certification, if required
- Table of Contents
- Cost Allocation Methodology and Process
- Organizational Chart
- CAP: Summary and Detail Schedules
- Supplemental Materials

Below, we discuss each of the summary and detail schedules included in a CAP.

Summary Schedules

The summary schedules provide a recap of the results of the cost allocation process. The following explanations define the purposes of each of the typical schedules included in the cost allocation plan.

Schedule A – Allocated Costs by Department: Schedule A demonstrates for each Receiving Department the costs received from each Central Service Department. This schedule answers the question: Which Central Service Department actually allocated the costs to each Receiving Department?

This schedule does not necessarily demonstrate the Central Service Department from which the costs originated. For example, costs sent from Purchasing to Accounting and then to a Receiving Department will be recorded on Schedule A as being from Accounting.

Schedule C – Summary of Allocated Costs: Schedule C is the simplest report to use when balancing to the financials. It demonstrates the costs to be allocated, the adjustments made to these costs, and the results of the

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Cost Allocation Methodology and Process

allocations. This schedule demonstrates the full sequence of all departments with the Central Service Departments listed first and in the order of their allocating sequence.

The Receiving departments follow the Central Service Departments with the total allocations received from all Central Service Departments.

Schedule E – Summary of Allocation Basis: Schedule E demonstrates, for each Central Service Department, the services or activities of the Central Service Department and the basis for the allocation of each activity. This schedule is a convenient reference for reviewing the activities identified for each Central Service Department. This is particularly important when preparing a new plan and incorporating organizational and services changes.

Detail Schedules

The detail schedules demonstrate the original costs being allocated by each Central Service Department. In these schedules, the adjustments are applied; the activities are defined; the incoming costs from other Central Service Departments are detailed; the allocation calculations for both step-downs are documented; and the results for each Central Service Department are summarized.

When tracking costs, typically the schedules are reviewed in reverse order tracking from summary information back to detail information. This is discussed further in *Section A.2.6: Tracking Costs within the CAP*.

Schedule __.1 – Nature and Extent of Services: Schedule __.1 is a brief narrative defining the purpose of the Central Service and the benefit it provides to the Receiving Departments. The narrative also describes the allocation basis used for each activity and any other relevant information on expenditures.

Schedule __.2 – Costs to be Allocated: Schedule __.2 provides an overview of the total costs allocated by each Central Service Department including:

- Expenditures from the financial reports — balances to Schedule C
- Adjustments to financial reports — balances to Schedule C
- Incoming costs from other Central Service Departments

The incoming costs are presented in columns that represent when these costs are allocated by the Central Service Department, not when the costs are received. As explained in *Section A.1: Cost Allocation Methodology*, the costs that are received from Central Service Departments sequenced after the given department are held for allocation in the second step-down.

Schedule __.3 – Costs to be Allocated by Activity: Schedule __.3 provides the following:

- Expenditures from the financials are defined by type of expenditure and by activities (to the extent deemed necessary) to ensure the application of allocation bases that closely correlate to the benefits derived by the Receiving departments. Each activity is represented in its own column. The totals balance with both Schedule C and Schedule __.2 expenditure amounts.
- Adjustments to the financial reports are applied to expenditures and the results spread to the appropriate activities.
- Incoming costs are demonstrated first in total and then spread to the appropriate activities for allocation for each step-down. The totals for each step-down balance to the totals on Schedule __.2. It should be noted that incoming costs may be coded to spread to only the activities that receive benefit from the services.

Schedule __.4 – Detail Activity Allocations: Schedule __.4 represents the allocation results by activity. Each activity defined on Schedule __.3 is demonstrated on a Detail Allocation Schedule. Because the number of activities varies, the number of the last of these schedules varies.

Schedule __.4 includes:

- Statistical measurement used as a basis for allocation

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Cost Allocation Methodology and Process

- Identification of statistical measurement
- Source of the statistical measurement
- Percent relationship of each statistical measurement to the whole or total statistical measurement base
- Results of the first step-down — balances to functional total after first additions on Schedule _3
- Results of the second step-down — balances to functional total of second additions on Schedule _3

The totals allocated from both step-downs balance to the functional grand total from Schedule _3. Note the results of the second step-down. This schedule clearly demonstrates how the second step-down allocates only to departments sequenced after the allocating department.

Schedule _5 – Allocation Summary for each Central Service Department: Schedule _5 provides a summary of costs allocated by each activity. The activity totals balance to the totals from each Detail Activities Allocation schedule defined above.

The totals allocated to the Receiving Departments will balance to Schedule A for the allocating department.

A.2.6 Tracking Costs within the CAP

When costs are questioned, MAXIMUS utilizes our standard tracking process in order to resolve any issues with Schedule A where the questioned cost is usually identified.

From Schedule A, we identify the allocating Central Service Department. From the CAP Table of Contents the appropriate detail schedules for the allocating department are identified. Tracking begins with the last detail schedule. Once the questioned amount is located, our analysis of the summary amounts by activities indicates which detail allocation schedules to review.

Review of each detail schedule will demonstrate the relative benefit received by the Receiving Department for the portion of the questioned cost attributable to each activity. Continuing backward through the detail schedules, the composition of the total functional costs is reviewed.

At this point, any remaining questions are typically in regard to the incoming costs. If these costs are questioned, we can use Schedule _2 to identify which department allocated the questioned incoming costs. Referring again to the CAP Table of Contents, the detail schedules for the sending Central Service Department can be located. Tracking continues by repeating these steps until all issues have been resolved.

Section B: Organizational Chart



All Monetary Values are US Dollars
MAXCAP 2022 MAXIMUS Consulting Services, Inc.
Prepared By MAXIMUS Consulting Services, Inc.

Section C: Cost Allocation Plan



All Monetary Values are US Dollars
MAXCAP 2022 MAXIMUS Consulting Services, Inc.
Prepared By MAXIMUS Consulting Services, Inc.

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule A - Allocated Costs By Department

| Central Service Departments | ADMIN HEARINGS 30 | BRD OF ELECT COMM 39 | HEALTH 41 | HUMAN RELATIONS 45 | PEOPLE WITH DISAB 48 |
|-----------------------------|----------------------|-------------------------|-----------|-----------------------|-------------------------|
| BUILDING DEPRECIATION | 0 | 0 | 0 | 0 | 38,404 |
| EQUIPMENT DEPRECIATION | 12,030 | 34,622 | 342,840 | 5,575 | 8,802 |
| EMPLOYEE BENEFITS | 602,890 | 1,733,987 | 3,279,517 | 161,783 | 205,938 |
| PBC - DALEY CENTER | 0 | 0 | 0 | 0 | 0 |
| RETIREMENT | 834,713 | 1,719,585 | 4,769,789 | 243,356 | 327,982 |
| FINANCE GENERAL 99 | 278,178 | 571,607 | 2,729,966 | 73,767 | 118,400 |
| MAYOR 01 | 13,642 | 39,263 | 203,968 | 6,322 | 9,982 |
| INSPECTOR GENERAL 03 | 13,778 | 39,653 | 205,993 | 6,385 | 10,081 |
| BUDGET & MANAGEMNT 05 | 31,913 | 46,267 | 419,650 | 24,233 | 42,148 |
| CITY CLERK 25 | 0 | 0 | 0 | 0 | 0 |
| CITY COUNCIL/COMM 15 | 0 | 0 | 0 | 0 | 0 |
| CITY COUNCIL 15 | 0 | 0 | 0 | 1,085,688 | 0 |
| FINANCE COMMITTEE | 4,104 | 10,772 | 36,849 | 0 | 0 |
| NON-FINANCE COMM | 0 | 0 | 0 | 195,374 | 0 |
| FINANCE-CITYWIDE 27 | 0 | 0 | 0 | 0 | 0 |
| CITY COMPTROLLER | 36,090 | 84,500 | 364,041 | 6,764 | 13,866 |
| COMPTR-ACCT FIN RPTG | 1,601 | 1,007 | 1,338,925 | 5,046 | 13,321 |
| COMPTR-FIN STRATG OPS | 36,068 | 90,570 | 238,184 | 8,750 | 12,488 |
| COMPTR-REVENUE SVCS | 6,533 | 26,024 | 219,867 | 2,400 | 5,705 |
| TREASURER 28 | 1,025 | 4,082 | 34,489 | 376 | 895 |
| LAW CITY-WIDE 31 | 460,185 | 0 | 1,741,643 | 0 | 0 |
| LAW CORPORATE | 154,480 | 0 | 510,710 | 0 | 0 |
| HUMAN RESOURCES 33 | 12,827 | 36,917 | 191,782 | 5,944 | 9,385 |
| PROCUREMENT SVCS 35 | 0 | 0 | 1,254,830 | 1,256 | 0 |
| ASSETS & INFO SVCS 38 | 0 | 0 | 0 | 0 | 0 |
| AIS-COMM & FIN&ADMIN | 60 | 13,831 | 4,014 | 7 | 101 |
| AIS-FACILITY MNGMT | 606,117 | 165,024 | 4,614,997 | 268,187 | 43,521 |
| AIS-ASSET MANAGEMENT | 209,174 | 62,098 | 1,653,814 | 41,300 | 158,360 |
| AIS-FLEET OPERATIONS | 0 | 19,568 | 119,174 | 0 | 14,720 |
| AIS-INFORMATION TECH | 80,579 | 24,576 | 1,288,058 | 26,591 | 55,197 |
| AIS-BUILDING MTCE/OPER | 127,603 | 0 | 718,915 | 57,442 | 9,225 |
| PUBLIC SAFETY ADMIN 51 | 0 | 0 | 0 | 0 | 0 |
| BUILDINGS 67 | 0 | 0 | 0 | 0 | 0 |
| STREETS & SANITATION 81 | 0 | 0 | 0 | 0 | 0 |
| STS-COMM/ADM SVCS | 0 | 0 | 0 | 0 | 0 |
| STS-DIRECT SERVICES | 0 | 0 | 0 | 0 | 0 |
| STS-GENERAL | 0 | 0 | 0 | 0 | 0 |
| CS SUPPORT TO AVIATION | 0 | 0 | 0 | 0 | 0 |
| CS SUPPORT TO TRANSP | 0 | 0 | 0 | 0 | 0 |
| EMERG MNGMT & COMM 58 | 3,250 | 9,354 | 138,849 | 4,156 | 8,102 |
| POLICE BOARD 55 | 0 | 0 | 0 | 0 | 0 |
| COPA 60 | 0 | 0 | 0 | 0 | 0 |
| POLICE DEPT 57 | 0 | 0 | 0 | 0 | 0 |
| POLICE-EQUIP USE | 0 | 0 | 0 | 0 | 0 |
| POLICE-ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| POLICE-FIRST DEPUTY | 0 | 0 | 0 | 0 | 0 |
| POLICE-ORG DEVLPMNT | 0 | 0 | 0 | 0 | 0 |
| POLICE-TECHNICAL SVCS | 0 | 0 | 0 | 0 | 0 |
| POLICE-PATROL SVCS | 0 | 0 | 0 | 0 | 0 |
| POLICE-DETECTIVES | 0 | 0 | 0 | 0 | 0 |
| POLICE-ORGANIZED CRIME | 0 | 0 | 0 | 0 | 0 |
| POLICE-GENERAL | 0 | 0 | 0 | 0 | 0 |
| FIRE DEPT 59 | 0 | 0 | 0 | 0 | 0 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule A - Allocated Costs By Department

| Central Service Departments | ADMIN HEARINGS 30 | BRD OF ELECT COMM 39 | HEALTH 41 | HUMAN RELATIONS 45 | PEOPLE WITH DISAB 48 |
|---------------------------------|----------------------|-------------------------|------------|-----------------------|-------------------------|
| FIRE-EQUIP USE | 0 | 0 | 0 | 0 | 0 |
| FIRE-ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| FIRE-FIRST DEPUTY | 0 | 0 | 0 | 0 | 0 |
| FIRE-ADMIN SERVICES | 0 | 0 | 0 | 0 | 0 |
| FIRE-SUPPORT SERVICES | 0 | 0 | 0 | 0 | 0 |
| FIRE-PREVENTION | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPER ADMIN | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPS/SPECIAL OPS | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPS/SUPPRESSION | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPS/EMS | 0 | 0 | 0 | 0 | 0 |
| FIRE-GENERAL | 0 | 0 | 0 | 0 | 0 |
| Allocated Costs for Fiscal 2020 | 3,526,840 | 4,733,307 | 26,420,863 | 2,230,702 | 1,106,623 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule A - Allocated Costs By Department

| Central Service Departments | BUILDINGS 67 - GENERAL | ANIMAL CARE CNTRL 73 | LIQ LICENSE APPEAL COM 77 | BOARD OF ETHICS 78 | TRANSP 84 - CORP FD 100 |
|-----------------------------|---------------------------|-------------------------|------------------------------|-----------------------|----------------------------|
| BUILDING DEPRECIATION | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT DEPRECIATION | 0 | 132,297 | 0 | 2,347 | 0 |
| EMPLOYEE BENEFITS | 0 | 1,014,510 | 14,718 | 117,752 | 0 |
| PBC - DALEY CENTER | 0 | 0 | 0 | 0 | 0 |
| RETIREMENT | 0 | 1,341,162 | 27,170 | 231,477 | 0 |
| FINANCE GENERAL 99 | 0 | 675,789 | 4,082 | 51,482 | 0 |
| MAYOR 01 | 0 | 22,959 | 333 | 2,662 | 0 |
| INSPECTOR GENERAL 03 | 0 | 23,187 | 336 | 2,688 | 0 |
| BUDGET & MANAGEMNT 05 | 0 | 43,701 | 12,348 | 22,452 | 0 |
| CITY CLERK 25 | 0 | 0 | 0 | 0 | 0 |
| CITY COUNCIL/COMM 15 | 0 | 0 | 0 | 0 | 0 |
| CITY COUNCIL 15 | 0 | 0 | 0 | 0 | 0 |
| FINANCE COMMITTEE | 0 | 41,722 | 0 | 0 | 0 |
| NON-FINANCE COMM | 0 | 0 | 0 | 0 | 0 |
| FINANCE-CITYWIDE 27 | 0 | 0 | 0 | 0 | 0 |
| CITY COMPTROLLER | 0 | 17,296 | 4,106 | 4,445 | 0 |
| COMPTR-ACCT FIN RPTG | 0 | 1,022 | 966 | 290 | 0 |
| COMPTR-FIN STRATG OPS | 0 | 27,103 | 3,279 | 5,038 | 0 |
| COMPTR-REVENUE SVCS | 0 | 6,211 | 184 | 832 | 0 |
| TREASURER 28 | 0 | 974 | 29 | 130 | 0 |
| LAW CITY-WIDE 31 | 0 | 460,357 | 460,185 | 0 | 0 |
| LAW CORPORATE | 0 | 154,543 | 154,480 | 0 | 0 |
| HUMAN RESOURCES 33 | 0 | 21,587 | 313 | 2,502 | 0 |
| PROCUREMENT SVCS 35 | 0 | 0 | 0 | 0 | 0 |
| ASSETS & INFO SVCS 38 | 0 | 0 | 0 | 0 | 0 |
| AIS-COMM & FIN&ADMIN | 0 | 294 | 2 | (6) | 0 |
| AIS-FACILITY MNGMT | 0 | 539,169 | 0 | 104,931 | 0 |
| AIS-ASSET MANAGEMENT | 0 | 140,303 | 31 | 4,182 | 0 |
| AIS-FLEET OPERATIONS | 0 | 133,296 | 0 | 0 | 0 |
| AIS-INFORMATION TECH | 0 | 56,002 | 0 | 17,324 | 0 |
| AIS-BUILDING MTCE/OPER | 0 | 0 | 0 | 22,459 | 0 |
| PUBLIC SAFETY ADMIN 51 | 0 | 0 | 0 | 0 | 0 |
| BUILDINGS 67 | 33,652,631 | 0 | 0 | 0 | 0 |
| STREETS & SANITATION 81 | 0 | 0 | 0 | 0 | 0 |
| STS-COMM/ADM SVCS | 0 | 0 | 0 | 0 | 0 |
| STS-DIRECT SERVICES | 0 | 0 | 0 | 0 | 0 |
| STS-GENERAL | 0 | 0 | 0 | 0 | 0 |
| CS SUPPORT TO AVIATION | 0 | 0 | 0 | 0 | 0 |
| CS SUPPORT TO TRANSP | 0 | 0 | 0 | 0 | 30,048,953 |
| EMERG MNGMT & COMM 58 | 0 | 307,172 | 79 | 634 | 0 |
| POLICE BOARD 55 | 0 | 0 | 0 | 0 | 0 |
| COPA 60 | 0 | 0 | 0 | 0 | 0 |
| POLICE DEPT 57 | 0 | 0 | 0 | 0 | 0 |
| POLICE-EQUIP USE | 0 | 0 | 0 | 0 | 0 |
| POLICE-ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| POLICE-FIRST DEPUTY | 0 | 0 | 0 | 0 | 0 |
| POLICE-ORG DEVLPMNT | 0 | 0 | 0 | 0 | 0 |
| POLICE-TECHNICAL SVCS | 0 | 0 | 0 | 0 | 0 |
| POLICE-PATROL SVCS | 0 | 0 | 0 | 0 | 0 |
| POLICE-DETECTIVES | 0 | 0 | 0 | 0 | 0 |
| POLICE-ORGANIZED CRIME | 0 | 0 | 0 | 0 | 0 |
| POLICE-GENERAL | 0 | 0 | 0 | 0 | 0 |
| FIRE DEPT 59 | 0 | 0 | 0 | 0 | 0 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule A - Allocated Costs By Department

| Central Service Departments | BUILDINGS 67 - GENERAL | ANIMAL CARE CNTRL 73 | LIQ LICENSE APPEAL COM 77 | BOARD OF ETHICS 78 | TRANSP 84 - CORP FD 100 |
|---------------------------------|---------------------------|-------------------------|------------------------------|-----------------------|----------------------------|
| FIRE-EQUIP USE | 0 | 0 | 0 | 0 | 0 |
| FIRE-ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| FIRE-FIRST DEPUTY | 0 | 0 | 0 | 0 | 0 |
| FIRE-ADMIN SERVICES | 0 | 0 | 0 | 0 | 0 |
| FIRE-SUPPORT SERVICES | 0 | 0 | 0 | 0 | 0 |
| FIRE-PREVENTION | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPER ADMIN | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPS/SPECIAL OPS | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPS/SUPPRESSION | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPS/EMS | 0 | 0 | 0 | 0 | 0 |
| FIRE-GENERAL | 0 | 0 | 0 | 0 | 0 |
| Allocated Costs for Fiscal 2020 | 33,652,631 | 5,160,655 | 682,640 | 593,621 | 30,048,953 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule A - Allocated Costs By Department

| Central Service Departments | MIDWAY OPERTNS FD 610 | O'HARE OPERTNS FD 740 | WATER FUND 200 | SEWER FUND 314 | CHI PUBLIC LIBRARY 91/346 |
|-----------------------------|--------------------------|--------------------------|----------------|----------------|------------------------------|
| BUILDING DEPRECIATION | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT DEPRECIATION | 0 | 0 | 0 | 0 | 1,052,703 |
| EMPLOYEE BENEFITS | 0 | 0 | 0 | 0 | 0 |
| PBC - DALEY CENTER | 0 | 0 | 0 | 0 | 0 |
| RETIREMENT | 0 | 0 | 0 | 0 | 0 |
| FINANCE GENERAL 99 | 0 | 0 | 398,853 | 0 | 1,123,214 |
| MAYOR 01 | 152,061 | 760,638 | 512,748 | 164,372 | 303,789 |
| INSPECTOR GENERAL 03 | 26,657 | 98,989 | 130,948 | 74,823 | 306,805 |
| BUDGET & MANAGEMNT 05 | 310,639 | 488,645 | 302,607 | 226,363 | 144,443 |
| CITY CLERK 25 | 0 | 0 | 0 | 0 | 0 |
| CITY COUNCIL/COMM 15 | 0 | 0 | 0 | 0 | 0 |
| CITY COUNCIL 15 | 0 | 0 | 0 | 0 | 0 |
| FINANCE COMMITTEE | 0 | 11,371 | 1,310,735 | 686,873 | 33,429 |
| NON-FINANCE COMM | 0 | 0 | 0 | 0 | 0 |
| FINANCE-CITYWIDE 27 | 0 | 0 | 0 | 0 | 0 |
| CITY COMPTROLLER | 119,430 | 707,065 | 178,566 | 315,775 | 45,897 |
| COMPTR-ACCT FIN RPTG | 99,647 | 1,191,573 | 160,231 | 0 | 30,146 |
| COMPTR-FIN STRATG OPS | 286,950 | 1,245,534 | 522,119 | 373,641 | 229,866 |
| COMPTR-REVENUE SVCS | 0 | 0 | 552,104 | 0 | 79,141 |
| TREASURER 28 | 136,870 | 450,942 | 175,079 | 127,837 | 12,414 |
| LAW CITY-WIDE 31 | 129,558 | (310,237) | 296,808 | (345,150) | 131,208 |
| LAW CORPORATE | 0 | 0 | 0 | 0 | 41,380 |
| HUMAN RESOURCES 33 | 126,445 | 509,338 | 338,865 | 154,552 | 285,640 |
| PROCUREMENT SVCS 35 | 234,523 | 802,250 | 170,955 | 0 | 0 |
| ASSETS & INFO SVCS 38 | 0 | 0 | 0 | 0 | 0 |
| AIS-COMM & FIN&ADMIN | 4,503 | 17,292 | 12,036 | 1,212 | 14,725 |
| AIS-FACILITY MNGMT | 0 | 0 | 15,897,001 | 0 | 420,583 |
| AIS-ASSET MANAGEMENT | 105,996 | 306,300 | 992,221 | 17,620 | 1,358,649 |
| AIS-FLEET OPERATIONS | 497,141 | 2,643,768 | 1,584,561 | 961,582 | 131,072 |
| AIS-INFORMATION TECH | 0 | 0 | 710,689 | 0 | 2,019,705 |
| AIS-BUILDING MTCE/OPER | 0 | 0 | 0 | 0 | 54,456 |
| PUBLIC SAFETY ADMIN 51 | 0 | 0 | 0 | 0 | 0 |
| BUILDINGS 67 | 0 | 0 | 1,425,089 | 705,874 | 0 |
| STREETS & SANITATION 81 | 0 | 0 | 0 | 0 | 0 |
| STS-COMM/ADM SVCS | 0 | 0 | 0 | 0 | 0 |
| STS-DIRECT SERVICES | 0 | 0 | 0 | 0 | 0 |
| STS-GENERAL | 0 | 0 | 4,559,748 | 3,403,898 | 0 |
| CS SUPPORT TO AVIATION | 866,903 | 4,710,248 | 0 | 0 | 0 |
| CS SUPPORT TO TRANSP | 0 | 0 | 0 | 0 | 0 |
| EMERG MNGMT & COMM 58 | 468,540 | 1,090,483 | 931,921 | 39,162 | 72,378 |
| POLICE BOARD 55 | 0 | 0 | 0 | 0 | 0 |
| COPA 60 | 0 | 0 | 0 | 0 | 0 |
| POLICE DEPT 57 | 0 | 0 | 0 | 0 | 0 |
| POLICE-EQUIP USE | 0 | 0 | 0 | 0 | 0 |
| POLICE-ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| POLICE-FIRST DEPUTY | 0 | 0 | 0 | 0 | 0 |
| POLICE-ORG DEVLPMNT | 0 | 0 | 0 | 0 | 0 |
| POLICE-TECHNICAL SVCS | 0 | 0 | 0 | 0 | 0 |
| POLICE-PATROL SVCS | 2,845,248 | 8,288,967 | 0 | 0 | 0 |
| POLICE-DETECTIVES | 0 | 0 | 0 | 0 | 0 |
| POLICE-ORGANIZED CRIME | 0 | 0 | 0 | 0 | 0 |
| POLICE-GENERAL | 0 | 0 | 35,827,891 | 26,745,884 | 0 |
| FIRE DEPT 59 | 0 | 0 | 0 | 0 | 0 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule A - Allocated Costs By Department

| Central Service Departments | MIDWAY OPERTNS FD 610 | O'HARE OPERTNS FD 740 | WATER FUND 200 | SEWER FUND 314 | CHI PUBLIC LIBRARY 91/346 |
|---------------------------------|--------------------------|--------------------------|----------------|----------------|------------------------------|
| FIRE-EQUIP USE | 0 | 0 | 0 | 0 | 0 |
| FIRE-ADMINISTRATION | 0 | 0 | 0 | 0 | 0 |
| FIRE-FIRST DEPUTY | 0 | 0 | 0 | 0 | 0 |
| FIRE-ADMIN SERVICES | 0 | 0 | 0 | 0 | 0 |
| FIRE-SUPPORT SERVICES | 0 | 0 | 0 | 0 | 0 |
| FIRE-PREVENTION | 0 | 619,401 | 0 | 0 | 0 |
| FIRE-OPER ADMIN | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPS/SPECIAL OPS | 0 | 0 | 0 | 0 | 0 |
| FIRE-OPS/SUPPRESSION | 709,860 | 4,690,140 | 0 | 0 | 0 |
| FIRE-OPS/EMS | 107,065 | 354,584 | 0 | 0 | 0 |
| FIRE-GENERAL | 0 | 0 | 14,120,541 | 10,541,127 | 0 |
| Allocated Costs for Fiscal 2020 | 7,228,037 | 28,677,288 | 81,112,316 | 44,195,445 | 7,891,644 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .1 - Nature and Extent of Services
For Department POLICE-GENERAL

All Police general government costs have been accumulated in this chapter.

Costs related to the Water and Sewer Funds activities have been allocated to the Water and Sewer cost pools, based on the following allocation statistic: the ten-year historical average of utility plant value for the Water and the Sewer Funds to the City's full market value, adjusted for the current Water and Sewer fund size relative to the historical ten-year average fund size.

All other Police general government costs have been sent to the All Other cost pool.

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .2 - Costs To Be Allocated
For Department POLICE-GENERAL

| | 1st Allocation | 2nd Allocation | Sub-Total | Total |
|---------------------------------------|----------------|----------------|---------------|---------------|
| Expenditures Per Financial Statement: | 0 | | | 0 |
| Inbound Costs: | | | | |
| EMERG MNGMT & COMM 58 | 48,707,065 | 491,005 | 49,198,070 | |
| POLICE-ADMINISTRATION | 11,718,089 | 342 | 11,718,431 | |
| POLICE-PATROL SVCS | 2,238,749,732 | 20,628,371 | 2,259,378,103 | |
| POLICE-DETECTIVES | 366,235,705 | 3,304,377 | 369,540,082 | |
| POLICE-ORGANIZED CRIME | 150,444,412 | 1,400,050 | 151,844,462 | |
| Total Allocated Additions: | 2,815,855,004 | 25,824,145 | 2,841,679,148 | 2,841,679,148 |
| Total To Be Allocated: | 2,815,855,004 | 25,824,145 | | 2,841,679,148 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .3 - Costs Allocated By Activity
For Department POLICE-GENERAL

| | Total | G&A | POLICE GENERAL |
|--------------------------------------|---------------|-----|----------------|
| <hr/> | | | |
| Wages & Benefits | | | |
| Salaries & Wages | 0 | 0 | 0 |
| Fringe Benefits | 0 | 0 | 0 |
| Departmental Total | | | |
| Expenditures Per Financial Statement | 0 | | |
| Deductions | | | |
| *Total Disallowed Costs | 0 | 0 | 0 |
| Functional Cost | 0 | 0 | 0 |
| Allocation Step 1 | | | |
| Inbound - All Others | 2,815,855,004 | 0 | 2,815,855,004 |
| Reallocate Admin Costs | | 0 | 0 |
| Unallocated Costs | 0 | 0 | 0 |
| 1st Allocation | 2,815,855,004 | 0 | 2,815,855,004 |
| Allocation Step 2 | | | |
| Inbound - All Others | 25,824,145 | 0 | 25,824,145 |
| 2nd Allocation | 25,824,145 | 0 | 25,824,145 |
| Total For POLICE-GENERAL | | | |
| Schedule .3 Total | 2,841,679,148 | 0 | 2,841,679,148 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .4 - Detail Activity Allocations
For Department POLICE-GENERAL

Activity - POLICE GENERAL

| Receiving Department | Allocation Units | Allocation Pct | Gross Allocation | Direct Billed | Allocation Step 1 | Allocation Step 2 | Total |
|--------------------------------------|------------------|----------------|------------------|---------------|-------------------|-------------------|---------------|
| WATER FUND 200 | 1.2608 | 1.260800 | 35,502,300 | | 35,502,300 | 325,591 | 35,827,891 |
| SEWER FUND 314 | 0.9412 | 0.941200 | 26,502,827 | | 26,502,827 | 243,057 | 26,745,884 |
| ALL OTHER OR UNALLOCATED | 97.7980 | 97.798000 | 2,753,849,877 | | 2,753,849,877 | 25,255,497 | 2,779,105,374 |
| Schedule .4 Total for POLICE GENERAL | 100.0000 | 100.000000 | 2,815,855,004 | | 2,815,855,004 | 25,824,145 | 2,841,679,148 |

Allocation Basis: WATER, SEWER PLANT VALUE AS A % OF CITY FULL PROP VALUE
Allocation Source: 2020 WATER/SEWER ANNUAL RPT & CIVIC FEDERATION DATA

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .5 - Allocation Summary
For Department POLICE-GENERAL

| Receiving Department | Total | POLICE GENERAL |
|--------------------------|---------------|----------------|
| WATER FUND 200 | 35,827,891 | 35,827,891 |
| SEWER FUND 314 | 26,745,884 | 26,745,884 |
| ALL OTHER OR UNALLOCATED | 2,779,105,374 | 2,779,105,374 |
| Direct Bill | 0 | 0 |
| Total | 2,841,679,148 | 2,841,679,148 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .1 - Nature and Extent of Services
For Department FIRE-GENERAL

All Fire general government costs have been accumulated in this chapter.

Costs related to the Water and Sewer Funds activities have been allocated to the Water and Sewer cost pools, based on the following allocation statistic: the ten-year historical average of utility plant value for the Water and the Sewer Funds to the City's full market value, adjusted for the current Water and Sewer fund size relative to the historical ten-year average fund size.

All other Fire general government costs have been sent to the All Other cost pool.

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .2 - Costs To Be Allocated
For Department FIRE-GENERAL

| | 1st Allocation | 2nd Allocation | Sub-Total | Total |
|---------------------------------------|----------------|----------------|---------------|---------------|
| Expenditures Per Financial Statement: | 0 | | | 0 |
| Inbound Costs: | | | | |
| FIRE-FIRST DEPUTY | 2,613,228 | 91,538 | 2,704,766 | |
| FIRE-PREVENTION | 20,652,171 | 202,609 | 20,854,780 | |
| FIRE-OPS/SUPPRESSION | 877,634,590 | 3,054,753 | 880,689,342 | |
| FIRE-OPS/EMS | 215,039,604 | 678,287 | 215,717,891 | |
| Total Allocated Additions: | 1,115,939,593 | 4,027,186 | 1,119,966,779 | 1,119,966,779 |
| Total To Be Allocated: | 1,115,939,593 | 4,027,186 | | 1,119,966,779 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .3 - Costs Allocated By Activity
For Department FIRE-GENERAL

| | Total | G&A | FIRE GENERAL |
|--------------------------------------|---------------|-----|---------------|
| Wages & Benefits | | | |
| Salaries & Wages | 0 | 0 | 0 |
| Fringe Benefits | 0 | 0 | 0 |
| Departmental Total | | | |
| Expenditures Per Financial Statement | 0 | | |
| Deductions | | | |
| *Total Disallowed Costs | 0 | 0 | 0 |
| Functional Cost | 0 | 0 | 0 |
| Allocation Step 1 | | | |
| Inbound - All Others | 1,115,939,593 | 0 | 1,115,939,593 |
| Reallocate Admin Costs | | 0 | 0 |
| Unallocated Costs | 0 | 0 | 0 |
| 1st Allocation | 1,115,939,593 | 0 | 1,115,939,593 |
| Allocation Step 2 | | | |
| Inbound - All Others | 4,027,186 | 0 | 4,027,186 |
| 2nd Allocation | 4,027,186 | 0 | 4,027,186 |
| Total For FIRE-GENERAL | | | |
| Schedule .3 Total | 1,119,966,779 | 0 | 1,119,966,779 |

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .4 - Detail Activity Allocations
For Department FIRE-GENERAL

Activity - FIRE GENERAL

| Receiving Department | Allocation Units | Allocation Pct | Gross Allocation | Direct Billed | Allocation Step 1 | Allocation Step 2 | Total |
|------------------------------------|------------------|----------------|------------------|---------------|-------------------|-------------------|---------------|
| WATER FUND 200 | 1.2608 | 1.260800 | 14,069,766 | | 14,069,766 | 50,775 | 14,120,541 |
| SEWER FUND 314 | 0.9412 | 0.941200 | 10,503,223 | | 10,503,223 | 37,904 | 10,541,127 |
| ALL OTHER OR UNALLOCATED | 97.7980 | 97.798000 | 1,091,366,604 | | 1,091,366,604 | 3,938,507 | 1,095,305,111 |
| Schedule .4 Total for FIRE GENERAL | 100.0000 | 100.000000 | 1,115,939,593 | | 1,115,939,593 | 4,027,186 | 1,119,966,779 |

Allocation Basis: WATER, SEWER PLANT VALUE AS A % OF CITY FULL PROP VALUE

Allocation Source: 2020 WATER/SEWER ANNUAL RPT & CIVIC FEDERATION DATA

CITY OF CHICAGO, ILLINOIS
Full Cost Allocation Plan
Schedule .5 - Allocation Summary
For Department FIRE-GENERAL

| Receiving Department | Total | FIRE GENERAL |
|--------------------------|---------------|---------------|
| WATER FUND 200 | 14,120,541 | 14,120,541 |
| SEWER FUND 314 | 10,541,127 | 10,541,127 |
| ALL OTHER OR UNALLOCATED | 1,095,305,111 | 1,095,305,111 |
| Direct Bill | 0 | 0 |
| Total | 1,119,966,779 | 1,119,966,779 |

EXHIBIT 21



HIGHER EDUCATION PRACTICE
900 SKOKIE AVENUE, SUITE 265, NORTHBROOK, IL 60062

Code of Federal Regulations
Title 2: Grants and Agreements PART 200
UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,
AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Data current as of October 19, 2020

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75886, Dec. 19, 2014]

\$200.444 General costs of government.

[Link to an amendment published at 85 FR 49568, Aug. 13, 2020.](#)

(a) For states, local governments, and Indian Tribes, the general costs of government are unallowable (except as provided in \$200.474 Travel costs). Unallowable costs include:

(1) Salaries and expenses of the Office of the Governor of a state or the chief executive of a local government or the chief executive of an Indian tribe;

(2) Salaries and other expenses of a state legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;

(3) Costs of the judicial branch of a government;

(4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in \$200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements); and

(5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

(b) For Indian tribes and Councils of Governments (COGs) (see \$200.64 Local government), up to 50% of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his or her staff can be included in the indirect cost calculation without documentation.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75886, Dec. 19, 2014]

EXHIBIT 22

ALBANY PARK * ARCHER HEIGHTS * ARMOUR SQUARE * ASHBURN * AUBURN GRESHAM * AUSTIN *
AVALON PARK * AVONDALE * BELMONT CRAGIN * BEVERLY * BRIDGEPORT * BRIGHTON PARK * BURNSIDE
* CALUMET HEIGHTS * CHATHAM * CHICAGO LAWN * CLEARING * DOUGLAS * DUNNING * EAST GARFIELD
PARK * EAST SIDE * EDGEWATER * EDISON PARK * ENGLEWOOD * FOREST GLEN * FULLER PARK * GAGE

CITY OF CHICAGO



2023 BUDGET ORDINANCE

* MORGAN PARK * MOUNT GREENWOOD * NEAR NORTH SIDE * NEAR SOUTH SIDE * NEAR WEST SIDE *
NEW CITY * NORTH CENTER * NORTH LAWNDALE * NORTH PARK * NORWOOD PARK * OAKLAND * OHARE
* PORTAGE PARK * PULLMAN * RIVERDALE * ROGERS PARK * ROSELAND * SOUTH CHICAGO * SOUTH
DEERING * SOUTH LAWNDALE * SOUTH SHORE * UPTOWN * WASHINGTON HEIGHTS * WASHINGTON
PARK * WEST ELSDON * WEST ENGLEWOOD * WEST GARFIELD PARK * WEST LAWN * WEST PULLMAN *
WEST RIDGE * WEST TOWN * WOODLAWN * ALBANY PARK * ARCHER HEIGHTS * ARMOUR SQUARE *
ASHBURN * AUBURN GRESHAM * AUSTIN * AVALON PARK * AVONDALE * BELMONT CRAGIN * BEVERLY
* BRIDGEPORT * BRIGHTON PARK * BURNSIDE * CALUMET HEIGHTS * CHATHAM * CHICAGO LAWN *
CLEARING * DOUGLAS * DUNNING * EAST GARFIELD PARK * EAST SIDE * EDGEWATER * EDISON PARK *
ENGLEWOOD * FOREST GLEN * FULLER PARK * GAGE PARK * GARFIELD RIDGE * GRAND BOULEVARD *
GREATER GRAND CROSSING * HEGEWISCH * HERMOSA * HUMBOLDT PARK * HYDE PARK * IRVING PARK *
JEFFERSON PARK * KENWOOD * LAKE VIEW * LINCOLN PARK * LINCOLN SQUARE * LOGAN SQUARE * LOOP
* LOWER WEST SIDE * MCKINLEY PARK * MONTCLARE * MORGAN PARK * MOUNT GREENWOOD * NEAR
NORTH SIDE * NEAR SOUTH SIDE * NEAR WEST SIDE * NEW CITY * NORTH CENTER * NORTH LAWNDALE
* NORTH PARK * NORWOOD PARK * OAKLAND * OHARE * PORTAGE PARK * PULLMAN * RIVERDALE *
ROGERS PARK * ROSELAND * SOUTH CHICAGO * SOUTH DEERING * SOUTH LAWNDALE * SOUTH SHORE
* UPTOWN * WASHINGTON HEIGHTS * WASHINGTON PARK * WEST ELSDON * WEST ENGLEWOOD * WEST
GARFIELD PARK * WEST LAWN * WEST PULLMAN * WEST RIDGE * WEST TOWN * WOODLAWN * ALBANY
PARK * ARCHER HEIGHTS * ARMOUR SQUARE * ASHBURN * AUBURN GRESHAM * AUSTIN * AVALON PARK
* AVONDALE * BELMONT CRAGIN * BEVERLY * BRIDGEPORT * BRIGHTON PARK * BURNSIDE * CALUMET
HEIGHTS * CHATHAM * CHICAGO LAWN * CLEARING * DOUGLAS * DUNNING * EAST GARFIELD PARK *
EAST SIDE * EDGEWATER * EDISON PARK * ENGLEWOOD * FOREST GLEN * FULLER PARK * GAGE PARK
* GARFIELD RIDGE * GRAND BOULEVARD * GREATER GRAND CROSSING * HEGEWISCH * HERMOSA *
HUMBOLDT PARK * HYDE PARK * IRVING PARK * JEFFERSON PARK * KENWOOD * LAKE VIEW * LINCOLN
PARK * LINCOLN SQUARE * LOGAN SQUARE * LOOP * LOWER WEST SIDE * MCKINLEY PARK * MONTCLARE
* MORGAN PARK * MOUNT GREENWOOD * NEAR NORTH SIDE * NEAR SOUTH SIDE * NEAR WEST SIDE *
NEW CITY * NORTH CENTER * NORTH LAWNDALE * NORTH PARK * NORWOOD PARK * OAKLAND * OHARE
* PORTAGE PARK * PULLMAN * RIVERDALE * ROGERS PARK * ROSELAND * SOUTH CHICAGO * SOUTH
DEERING * SOUTH LAWNDALE * SOUTH SHORE * UPTOWN * WASHINGTON HEIGHTS * WASHINGTON
PARK * WEST ELSDON * WEST ENGLEWOOD * WEST GARFIELD PARK * WEST LAWN * WEST PULLMAN *
WEST RIDGE * WEST TOWN * WOODLAWN * ALBANY PARK * ARCHER HEIGHTS * ARMOUR SQUARE *
ASHBURN * AUBURN GRESHAM * AUSTIN * AVALON PARK * AVONDALE * BELMONT CRAGIN * BEVERLY
* BRIDGEPORT * BRIGHTON PARK * BURNSIDE * CALUMET HEIGHTS * CHATHAM * CHICAGO LAWN *
CLEARING * DOUGLAS * DUNNING * EAST GARFIELD PARK * EAST SIDE * EDGEWATER * EDISON PARK *
ENGLEWOOD * FOREST GLEN * FULLER PARK * GAGE PARK * GARFIELD RIDGE * GRAND BOULEVARD *
GREATER GRAND CROSSING * HEGEWISCH * HERMOSA * HUMBOLDT PARK * HYDE PARK * IRVING PARK *



CHICAGO

MAYOR LORIE E. LIGHTFOOT

Table of Contents

| | |
|---|-----------|
| Summaries | 1 |
| A - Corporate Fund Revenues - Comparative Statement (by Major Sources) | 1 |
| B - Summary of Estimated Resources from which Appropriations are made | 2 |
| C - Summary of Appropriations from Funds by Major Purposes | 4 |
| D - Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications | 6 |
| E - Distribution of Proposed Appropriations by Function and Organization Units | 16 |
| Estimated Revenue for 2023 | 20 |
| Estimates - Appropriable Resources | 20 |
| Appropriations for Liabilities | 33 |
| Estimated Expenditures for 2023 | 34 |
| 0100 - Corporate Fund | 34 |
| 001 - Office of the Mayor | 34 |
| 003 - Office of Inspector General | 38 |
| 005 - Office of Budget and Management | 41 |
| 015 - City Council | 43 |
| 2010 - Committee on Finance | 45 |
| 2214 - Committee on the Budget and Government Operations | 46 |
| 2216 - Committee on Contracting, Oversight, and Equity | 46 |
| 2220 - Committee on Aviation | 46 |
| 2225 - Committee on License and Consumer Protection | 47 |
| 2235 - Committee on Public Safety | 47 |
| 2245 - Committee on Committees and Rules | 47 |
| 2255 - Committee on Economic, Capital and Technology Development | 48 |
| 2257 - Committee on Environmental Protection and Energy | 48 |
| 2258 - Committee on Ethics and Government Oversight | 48 |
| 2260 - Committee on Education and Child Development | 49 |
| 2275 - Committee on Zoning, Landmarks and Building Standards | 49 |
| 2277 - Committee on Health and Human Relations | 49 |
| 2278 - Committee on Immigrant and Refugee Rights | 50 |
| 2280 - Committee on Housing and Real Estate | 50 |
| 2290 - Committee on Workforce Development and Audit | 50 |
| 2295 - Legislative Reference Bureau | 51 |
| 2012 - Council Office of Financial Analysis | 52 |
| 021 - Department of Housing | 53 |
| 025 - Office of City Clerk | 55 |
| 027 - Department of Finance | 57 |
| 2011 - City Comptroller | 57 |
| 2012 - Accounting and Financial Reporting | 59 |
| 2015 - Financial Strategy and Operations | 62 |
| 2020 - Revenue Services and Operations | 65 |
| 028 - City Treasurer's Office | 72 |
| 2005 - Office of City Treasurer | 72 |
| 030 - Department of Administrative Hearings | 74 |
| 031 - Department of Law | 77 |
| 033 - Department of Human Resources | 85 |
| 035 - Department of Procurement Services | 89 |
| 038 - Department of Assets, Information, and Services | 93 |
| 2103 - Bureau of Finance and Administration | 93 |
| 2126 - Bureau of Facility Management | 96 |
| 2131 - Bureau of Asset Management | 100 |
| 2140 - Bureau of Fleet Operations | 103 |
| 2145 - Bureau of Information Technology | 107 |
| 2150 - Bureau of Centralized Information Technology | 110 |
| 039 - Board of Election Commissioners | 113 |
| 2005 - Election and Administration Division | 113 |
| 041 - Chicago Department of Public Health | 117 |
| 045 - Chicago Commission on Human Relations | 125 |
| 048 - Mayor's Office for People with Disabilities | 127 |
| 050 - Department of Family and Support Services | 129 |
| 051 - Office of Public Safety Administration | 134 |

Table of Contents - Continued

| | |
|---|-----|
| 054 - Department of Planning and Development | 141 |
| 055 - Chicago Police Board | 146 |
| 057 - Chicago Police Department | 147 |
| 058 - Office of Emergency Management and Communications | 175 |
| 059 - Chicago Fire Department | 178 |
| 060 - Civilian Office of Police Accountability | 187 |
| 062 - Community Commission for Public Safety and Accountability | 190 |
| 067 - Department of Buildings | 192 |
| 070 - Department of Business Affairs and Consumer Protection | 197 |
| 072 - Office of Climate and Environmental Equity | 202 |
| 073 - Chicago Animal Care and Control | 203 |
| 077 - License Appeal Commission | 206 |
| 078 - Board of Ethics | 207 |
| 081 - Department of Streets and Sanitation | 209 |
| 2005 - Commissioner's Office | 209 |
| 2006 - Administrative Services Division | 211 |
| 2020 - Bureau of Sanitation | 213 |
| 2025 - Bureau of Rodent Control | 215 |
| 2045 - Bureau of Street Operations | 217 |
| 2060 - Bureau of Forestry | 219 |
| 084 - Chicago Department of Transportation | 222 |
| 2105 - Commissioner's Office | 222 |
| 2115 - Division of Administration | 224 |
| 2125 - Division of Engineering | 228 |
| 2130 - Division of Traffic Safety | 229 |
| 2140 - Division of Sign Management | 231 |
| 2145 - Division of Project Development | 233 |
| 2150 - Division of Electrical Operations | 235 |
| 2155 - Division of In-House Construction | 238 |
| 2160 - Citywide Services | 240 |
| 099 - Finance General | 242 |
| 0200 - Water Fund | 245 |
| 003 - Office of Inspector General | 245 |
| 005 - Office of Budget and Management | 247 |
| 027 - Department of Finance | 248 |
| 2012 - Accounting and Financial Reporting | 248 |
| 2015 - Financial Strategy and Operations | 249 |
| 2020 - Revenue Services and Operations | 250 |
| 028 - City Treasurer's Office | 252 |
| 2005 - Office of City Treasurer | 252 |
| 031 - Department of Law | 253 |
| 033 - Department of Human Resources | 255 |
| 035 - Department of Procurement Services | 256 |
| 038 - Department of Assets, Information, and Services | 257 |
| 2126 - Bureau of Facility Management | 257 |
| 2131 - Bureau of Asset Management | 258 |
| 2140 - Bureau of Fleet Operations | 259 |
| 2145 - Bureau of Information Technology | 260 |
| 067 - Department of Buildings | 261 |
| 088 - Department of Water Management | 262 |
| 2005 - Commissioner's Office | 262 |
| 2010 - Bureau of Administrative Support | 264 |
| 2015 - Bureau of Engineering Services | 266 |
| 2020 - Bureau of Water Supply | 268 |
| 2025 - Bureau of Operations and Distribution | 272 |
| 2035 - Bureau of Meter Services | 276 |
| 099 - Finance General | 278 |
| 0300 - Vehicle Tax Fund | 280 |
| 015 - City Council | 280 |
| 2230 - Committee on Transportation and Public Way | 280 |

Table of Contents - Continued

| | |
|---|-----|
| 2265 - Committee on Pedestrian and Traffic Safety | 281 |
| 025 - Office of City Clerk | 282 |
| 027 - Department of Finance | 284 |
| 2015 - Financial Strategy and Operations | 284 |
| 2020 - Revenue Services and Operations | 285 |
| 031 - Department of Law | 287 |
| 033 - Department of Human Resources | 289 |
| 035 - Department of Procurement Services | 290 |
| 038 - Department of Assets, Information, and Services | 291 |
| 2126 - Bureau of Facility Management | 291 |
| 2131 - Bureau of Asset Management | 292 |
| 2140 - Bureau of Fleet Operations | 293 |
| 2145 - Bureau of Information Technology | 294 |
| 067 - Department of Buildings | 295 |
| 081 - Department of Streets and Sanitation | 296 |
| 2045 - Bureau of Street Operations | 296 |
| 2070 - Bureau of Traffic Services | 298 |
| 084 - Chicago Department of Transportation | 302 |
| 2125 - Division of Engineering | 302 |
| 2135 - Division of Infrastructure Management | 306 |
| 2155 - Division of In-House Construction | 309 |
| 099 - Finance General | 312 |
| 0310 - Motor Fuel Tax Fund | 314 |
| 038 - Department of Assets, Information, and Services | 314 |
| 2131 - Bureau of Asset Management | 314 |
| 081 - Department of Streets and Sanitation | 315 |
| 2045 - Bureau of Street Operations | 315 |
| 084 - Chicago Department of Transportation | 316 |
| 2140 - Division of Sign Management | 316 |
| 2145 - Division of Project Development | 318 |
| 2150 - Division of Electrical Operations | 319 |
| 2155 - Division of In-House Construction | 321 |
| 2160 - Citywide Services | 324 |
| 099 - Finance General | 325 |
| 0314 - Sewer Fund | 326 |
| 003 - Office of Inspector General | 326 |
| 027 - Department of Finance | 328 |
| 2015 - Financial Strategy and Operations | 328 |
| 2020 - Revenue Services and Operations | 329 |
| 028 - City Treasurer's Office | 330 |
| 2005 - Office of City Treasurer | 330 |
| 031 - Department of Law | 331 |
| 038 - Department of Assets, Information, and Services | 333 |
| 2131 - Bureau of Asset Management | 333 |
| 2140 - Bureau of Fleet Operations | 334 |
| 2145 - Bureau of Information Technology | 335 |
| 067 - Department of Buildings | 336 |
| 088 - Department of Water Management | 337 |
| 2015 - Bureau of Engineering Services | 337 |
| 2025 - Bureau of Operations and Distribution | 339 |
| 099 - Finance General | 343 |
| 0346 - Library Fund | 345 |
| 038 - Department of Assets, Information, and Services | 345 |
| 2126 - Bureau of Facility Management | 345 |
| 2131 - Bureau of Asset Management | 346 |
| 2140 - Bureau of Fleet Operations | 347 |
| 2145 - Bureau of Information Technology | 348 |
| 091 - Chicago Public Library | 349 |
| 099 - Finance General | 355 |
| 0353 - Emergency Communication Fund | 357 |

Table of Contents - Continued

| | |
|--|-----|
| 051 - Office of Public Safety Administration | 357 |
| 058 - Office of Emergency Management and Communications | 359 |
| 099 - Finance General | 362 |
| 0355 - Special Events and Municipal Hotel Operators' Occupation Tax Fund | 363 |
| 001 - Office of the Mayor | 363 |
| 015 - City Council | 364 |
| 2155 - Committee on Special Events, Cultural Affairs and Recreation | 364 |
| 023 - Department of Cultural Affairs and Special Events | 365 |
| 038 - Department of Assets, Information, and Services | 368 |
| 2126 - Bureau of Facility Management | 368 |
| 2145 - Bureau of Information Technology | 369 |
| 099 - Finance General | 370 |
| 0510 - Bond Redemption and Interest Series Fund | 372 |
| 099 - Finance General | 372 |
| 0521 - Library Note Redemption and Interest Tender Notes Series "B" Fund | 373 |
| 099 - Finance General | 373 |
| 0549 - City Colleges Bond Redemption and Interest Fund | 374 |
| 099 - Finance General | 374 |
| 0610 - Chicago Midway Airport Fund | 375 |
| 003 - Office of Inspector General | 375 |
| 027 - Department of Finance | 377 |
| 2012 - Accounting and Financial Reporting | 377 |
| 2015 - Financial Strategy and Operations | 378 |
| 028 - City Treasurer's Office | 379 |
| 2005 - Office of City Treasurer | 379 |
| 031 - Department of Law | 380 |
| 033 - Department of Human Resources | 382 |
| 035 - Department of Procurement Services | 383 |
| 038 - Department of Assets, Information, and Services | 384 |
| 2131 - Bureau of Asset Management | 384 |
| 2140 - Bureau of Fleet Operations | 385 |
| 2145 - Bureau of Information Technology | 386 |
| 051 - Office of Public Safety Administration | 387 |
| 057 - Chicago Police Department | 388 |
| 058 - Office of Emergency Management and Communications | 390 |
| 059 - Chicago Fire Department | 391 |
| 085 - Chicago Department of Aviation | 393 |
| 2010 - Chicago Midway Airport | 393 |
| 099 - Finance General | 398 |
| 0681 - Municipal Employees' Annuity and Benefit Fund | 400 |
| 099 - Finance General | 400 |
| 0682 - Laborers' and Retirement Board Annuity and Benefit Fund | 401 |
| 099 - Finance General | 401 |
| 0683 - Policemen's Annuity and Benefit Fund | 402 |
| 099 - Finance General | 402 |
| 0684 - Firemen's Annuity and Benefit Fund | 403 |
| 099 - Finance General | 403 |
| 0740 - Chicago O'Hare Airport Fund | 404 |
| 003 - Office of Inspector General | 404 |
| 027 - Department of Finance | 406 |
| 2012 - Accounting and Financial Reporting | 406 |
| 2015 - Financial Strategy and Operations | 408 |
| 028 - City Treasurer's Office | 410 |
| 2005 - Office of City Treasurer | 410 |
| 031 - Department of Law | 411 |
| 033 - Department of Human Resources | 413 |
| 035 - Department of Procurement Services | 414 |
| 038 - Department of Assets, Information, and Services | 416 |
| 2131 - Bureau of Asset Management | 416 |
| 2140 - Bureau of Fleet Operations | 417 |

Table of Contents - Continued

| | |
|--|------------|
| 2145 - Bureau of Information Technology | 419 |
| 051 - Office of Public Safety Administration | 420 |
| 057 - Chicago Police Department | 421 |
| 058 - Office of Emergency Management and Communications | 423 |
| 059 - Chicago Fire Department | 425 |
| 085 - Chicago Department of Aviation | 428 |
| 2015 - Chicago-O'Hare International Airport | 428 |
| 099 - Finance General | 441 |
| 0994 - Controlled Substances Fund | 443 |
| 057 - Chicago Police Department | 443 |
| 0996 - Affordable Housing Opportunity Fund | 444 |
| 021 - Department of Housing | 444 |
| 099 - Finance General | 445 |
| 0B09 - CTA Real Property Transfer Tax Fund | 446 |
| 099 - Finance General | 446 |
| 0B21 - Tax Increment Financing Administration Fund | 447 |
| 005 - Office of Budget and Management | 447 |
| 021 - Department of Housing | 448 |
| 027 - Department of Finance | 449 |
| 2012 - Accounting and Financial Reporting | 449 |
| 028 - City Treasurer's Office | 450 |
| 2005 - Office of City Treasurer | 450 |
| 031 - Department of Law | 451 |
| 054 - Department of Planning and Development | 452 |
| 070 - Department of Business Affairs and Consumer Protection | 455 |
| 084 - Chicago Department of Transportation | 456 |
| 2115 - Division of Administration | 456 |
| 099 - Finance General | 457 |
| 0B25 - Chicago Police CTA Detail Fund | 458 |
| 057 - Chicago Police Department | 458 |
| 0B26 - Chicago Parking Meters Fund | 459 |
| 027 - Department of Finance | 459 |
| 2015 - Financial Strategy and Operations | 459 |
| 0B32 - Garbage Collection Fund | 460 |
| 081 - Department of Streets and Sanitation | 460 |
| 2020 - Bureau of Sanitation | 460 |
| 099 - Finance General | 462 |
| 0B40 - Houseshare Surcharge - Homeless Services Fund | 463 |
| 050 - Department of Family and Support Services | 463 |
| 099 - Finance General | 464 |
| 0B42 - Foreign Fire Insurance Tax Fund | 465 |
| 099 - Finance General | 465 |
| 0B43 - Houseshare Surcharge - Domestic Violence Fund | 466 |
| 050 - Department of Family and Support Services | 466 |
| 099 - Finance General | 467 |
| 0B70 - Cannabis Regulation Tax | 468 |
| 099 - Finance General | 468 |
| 0D43 - Neighborhoods Opportunity Fund | 469 |
| 054 - Department of Planning and Development | 469 |
| 099 - Finance General | 470 |
| 0D44 - Citywide Adopt-a-landmark Fund | 471 |
| 054 - Department of Planning and Development | 471 |
| 0D45 - Local Impact Fund | 472 |
| 054 - Department of Planning and Development | 472 |
| Grants | 473 |
| Summary G - Distribution of Proposed Appropriations - All Funds | 473 |
| Estimate of Grant Revenue | 475 |
| Grants by Program Category, Department, and Grant | 476 |
| Appendix A: Anticipated Reimbursements from Other Funds to the Corporate Fund | 496 |
| Appendix B: Anticipated Reimbursements from Other Funds to the Vehicle Tax Fund | 499 |

Table of Contents - Continued

| | |
|--|------------|
| TIF | 500 |
| Summary of Revenue/Expenses - 2021 for each TIF District | 500 |
| Schedules of Salary Rates | 504 |

Summary A

COMPARATIVE STATEMENT OF CORPORATE FUND REVENUES BY MAJOR SOURCES FOR THE YEARS 2021, 2022 AND 2023

| Sources | Revised 2021 | Published 2022 | Revised 2022 | Estimated 2023 |
|---|------------------------|------------------------|------------------------|------------------------|
| Local Tax | | | | |
| Municipal Public Utility Tax | \$390,803,000 | \$388,902,000 | \$388,902,000 | \$406,506,000 |
| Chicago Sales Tax / Home Rule Retailers' Occupation Tax | 63,639,000 | 73,055,000 | 73,055,000 | 90,067,000 |
| Transaction Taxes | 478,129,000 | 582,313,000 | 582,313,000 | 811,823,000 |
| Transportation Taxes | 308,693,000 | 336,087,000 | 336,087,000 | 367,938,000 |
| Recreation Taxes | 223,911,000 | 274,350,000 | 274,350,000 | 318,411,000 |
| Business Taxes | 66,122,000 | 112,744,000 | 112,744,000 | 128,213,000 |
| Total - Local Tax | \$1,531,297,000 | \$1,767,451,000 | \$1,767,451,000 | \$2,122,958,000 |
| Proceeds and Transfers In | | | | |
| Proceeds and Transfers In | \$1,452,976,000 | \$1,048,933,000 | \$1,048,933,000 | \$865,775,000 |
| Total - Proceeds and Transfers In | \$1,452,976,000 | \$1,048,933,000 | \$1,048,933,000 | \$865,775,000 |
| Intergovernmental Revenue | | | | |
| State Income Tax | \$319,228,000 | \$366,600,000 | \$366,600,000 | \$377,400,000 |
| Personal Property Replacement Tax | 200,000,000 | 163,683,000 | 163,683,000 | 266,000,000 |
| Municipal Auto Rental Tax | 3,332,000 | 3,960,000 | 3,960,000 | 4,239,000 |
| Reimbursements for City Services | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Total - Intergovernmental Revenue | \$524,560,000 | \$536,243,000 | \$536,243,000 | \$649,639,000 |
| Local Non-Tax Revenue | | | | |
| Licenses, Permits, and Certificates | \$119,200,000 | \$119,600,000 | \$119,600,000 | \$123,597,000 |
| Fines, Forfeitures and Penalties | 381,500,000 | 369,700,000 | 369,700,000 | 302,208,000 |
| Charges for Services | 277,900,000 | 340,400,000 | 340,400,000 | 363,574,000 |
| Municipal Parking | 7,600,000 | 7,600,000 | 7,600,000 | 7,676,000 |
| Leases, Rentals and Sales | 39,300,000 | 29,300,000 | 29,300,000 | 31,986,000 |
| Interest Income | 6,500,000 | 6,500,000 | 6,500,000 | 10,300,000 |
| Internal Service Earnings | 410,732,000 | 485,773,000 | 485,773,000 | 586,542,000 |
| Other Revenue | 125,820,000 | 124,522,000 | 137,022,000 | 149,950,000 |
| Total - Local Non-Tax Revenue | \$1,368,552,000 | \$1,483,395,000 | \$1,495,895,000 | \$1,575,813,000 |
| Total - All Sources | \$4,877,385,000 | \$4,836,022,000 | \$4,848,522,000 | \$5,214,185,000 |
| Net Current Assets at January 1 | 111,000,000 | 51,400,000 | 51,400,000 | 222,110,000 |
| Net Total - All Sources | \$4,988,385,000 | \$4,887,422,000 | \$4,899,922,000 | \$5,436,295,000 |

Summary B

SUMMARY OF ESTIMATED RESOURCES FROM WHICH APPROPRIATIONS ARE MADE FOR YEAR 2023

| Fund No. | Funds | Gross Tax Levy (Revenue) | Other Revenue | Total Revenue | Prior Year Surplus/Deficit | Total Appropriable |
|--|-------|-----------------------------|------------------------|------------------------|-------------------------------|------------------------|
| PROPERTY TAX SUPPORTED FUNDS | | | | | | |
| 0510 - Bond Redemption and Interest Series Fund | | \$174,377,000 | \$352,984,000 | \$527,361,000 | | \$527,361,000 |
| 0521 - Library Note Redemption and Interest Tender Notes Series "B" Fund | | 119,356,000 | | 119,356,000 | | 119,356,000 |
| 0549 - City Colleges Bond Redemption and Interest Fund | | 28,791,000 | | 28,791,000 | 5,031,000 | 33,822,000 |
| 0681 - Municipal Employees' Annuity and Benefit Fund | | 175,416,000 | 909,269,000 | 1,084,685,000 | | 1,084,685,000 |
| 0682 - Laborers' and Retirement Board Annuity and Benefit Fund | | 55,961,000 | 70,352,000 | 126,313,000 | | 126,313,000 |
| 0683 - Policemen's Annuity and Benefit Fund | | 813,518,000 | 159,663,000 | 973,181,000 | | 973,181,000 |
| 0684 - Firemen's Annuity and Benefit Fund | | 366,968,000 | 115,531,000 | 482,499,000 | | 482,499,000 |
| Total - PROPERTY TAX SUPPORTED FUNDS | | \$1,734,387,000 | \$1,607,799,000 | \$3,342,186,000 | \$5,031,000 | \$3,347,217,000 |

Summary B

Summary of Estimated Resources from which Appropriations are made for Year 2023 - Continued

| Fund No. | Funds | Gross Tax Levy (Revenue) | Other Revenue | Total Revenue | Prior Year Surplus/Deficit | Total Appropriable |
|--|--------------------------------|-----------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|
| NON-PROPERTY TAX FUNDS | | | | | | |
| 0100 - Corporate Fund | | \$5,214,185,000 | | \$5,214,185,000 | \$222,110,000 | \$5,436,295,000 |
| 0200 - Water Fund | | 889,688,000 | | 889,688,000 | 44,176,000 | 933,864,000 |
| 0300 - Vehicle Tax Fund | | 249,976,000 | | 249,976,000 | 4,431,000 | 254,407,000 |
| 0310 - Motor Fuel Tax Fund | | 122,617,000 | | 122,617,000 | 3,925,000 | 126,542,000 |
| 0314 - Sewer Fund | | 422,817,000 | | 422,817,000 | 34,880,000 | 457,697,000 |
| 0346 - Library Fund | | 115,302,000 | | 115,302,000 | 23,973,000 | 139,275,000 |
| 0353 - Emergency Communication Fund | | 178,821,000 | | 178,821,000 | 4,268,000 | 183,089,000 |
| 0355 - Special Events and Municipal Hotel Operators' Occupation Tax Fund | | 44,185,000 | | 44,185,000 | 1,922,000 | 46,107,000 |
| 0610 - Chicago Midway Airport Fund | | 370,454,000 | | 370,454,000 | | 370,454,000 |
| 0740 - Chicago O'Hare Airport Fund | | 1,666,337,000 | | 1,666,337,000 | | 1,666,337,000 |
| 0994 - Controlled Substances Fund | | 100,000 | | 100,000 | | 100,000 |
| 0996 - Affordable Housing Opportunity Fund | | 25,239,000 | | 25,239,000 | 8,973,000 | 34,212,000 |
| 0809 - CTA Real Property Transfer Tax Fund | | 93,000,000 | | 93,000,000 | | 93,000,000 |
| 0821 - Tax Increment Financing Administration Fund | | 16,793,000 | | 16,793,000 | | 16,793,000 |
| 0825 - Chicago Police CTA Detail Fund | | 30,000,000 | | 30,000,000 | | 30,000,000 |
| 0826 - Chicago Parking Meters Fund | | 6,500,000 | | 6,500,000 | | 6,500,000 |
| 0832 - Garbage Collection Fund | | 61,655,000 | | 61,655,000 | | 61,655,000 |
| 0840 - Houseshare Surcharge - Homeless Services Fund | | 5,989,000 | | 5,989,000 | 6,911,000 | 12,900,000 |
| 0842 - Foreign Fire Insurance Tax Fund | | 7,752,000 | | 7,752,000 | 19,310,000 | 27,062,000 |
| 0843 - Houseshare Surcharge - Domestic Violence Fund | | 6,595,000 | | 6,595,000 | 3,899,000 | 10,494,000 |
| 0870 - Cannabis Regulation Tax | | 5,211,000 | | 5,211,000 | 4,546,000 | 9,757,000 |
| 0D43 - Neighborhoods Opportunity Fund | | 27,039,000 | | 27,039,000 | 27,080,000 | 54,119,000 |
| 0D44 - Citywide Adopt-a-landmark Fund | | 3,380,000 | | 3,380,000 | 8,266,000 | 11,646,000 |
| 0D45 - Local Impact Fund | | 3,380,000 | | 3,380,000 | 8,132,000 | 11,512,000 |
| Total - NON-PROPERTY TAX FUNDS | | \$9,567,015,000 | | \$9,567,015,000 | \$426,802,000 | \$9,993,817,000 |
| Total - All Funds | | | | | | |
| | | \$1,734,387,000 | \$11,174,814,000 | \$12,909,201,000 | \$431,833,000 | \$13,341,034,000 |
| | Deduct Transfers between Funds | | | | | 1,449,342,000 |
| Total - All Funds | | | | | | \$11,891,692,000 |
| | Deduct Proceeds of Debt | | | | | 114,582,000 |
| Net Total - All Funds | | | | | | \$11,777,110,000 |

(For Further Details See Estimate Statements)

Summary C

SUMMARY OF APPROPRIATIONS FROM FUNDS BY MAJOR PURPOSES FOR YEAR 2023

| Fund No. | General Expense | Capital Outlay | Debt Service | Pension Funds | Specific Levies for Loss in Collection of Taxes | Total Appropriation |
|--|-----------------|----------------|----------------------|------------------------|---|------------------------|
| Property Tax Supported Funds | | | | | | |
| 0510 - Bond Redemption and Interest Series Fund | | | \$520,386,523 | | \$6,974,477 | \$527,361,000 |
| 0521 - Library Note Redemption and Interest Tender Notes Series "B" Fund | | | 114,582,000 | | 4,774,000 | 119,356,000 |
| 0549 - City Colleges Bond Redemption and Interest Fund | | | 32,670,374 | | 1,151,626 | 33,822,000 |
| 0681 - Municipal Employees' Annuity and Benefit Fund | | | | 1,077,668,000 | 7,017,000 | 1,084,685,000 |
| 0682 - Laborers' and Retirement Board Annuity and Benefit Fund | | | | 124,075,000 | 2,238,000 | 126,313,000 |
| 0683 - Policemen's Annuity and Benefit Fund | | | | 940,640,000 | 32,541,000 | 973,181,000 |
| 0684 - Firemen's Annuity and Benefit Fund | | | | 467,820,000 | 14,679,000 | 482,499,000 |
| Total - Property Tax Supported Funds | | | \$667,638,897 | \$2,610,203,000 | \$69,375,103 | \$3,347,217,000 |

Summary C
Summary of Appropriations from Funds by Major Purposes for Year 2023 - Continued

| Fund No. | General Expense | Capital Outlay | Debt Service | Pension Funds | Specific Levies for Loss in Collection of Taxes | Total Appropriation |
|--|------------------------|---------------------|------------------------|------------------------|---|-------------------------|
| Non-Property Tax Supported Funds | | | | | | |
| 0100 - Corporate Fund | \$4,374,189,683 | \$2,253,057 | \$414,975,260 | \$644,877,000 | | \$5,436,295,000 |
| 0200 - Water Fund | 587,403,136 | 7,391,133 | 246,915,731 | 92,154,000 | | 933,864,000 |
| 0300 - Vehicle Tax Fund | 252,987,807 | 1,419,193 | | | | 254,407,000 |
| 0310 - Motor Fuel Tax Fund | 126,542,000 | | | | | 126,542,000 |
| 0314 - Sewer Fund | 223,578,503 | 398,596 | 201,236,901 | 32,483,000 | | 457,697,000 |
| 0346 - Library Fund | 131,542,028 | 840,972 | 2,200,000 | 4,692,000 | | 139,275,000 |
| 0353 - Emergency Communication Fund | 153,365,875 | 77,125 | | 29,646,000 | | 183,089,000 |
| 0355 - Special Events and Municipal Hotel Operators' Occupation Tax Fund | 46,107,000 | | | | | 46,107,000 |
| 0610 - Chicago Midway Airport Fund | 196,524,626 | 2,250,350 | 146,042,024 | 25,637,000 | | 370,454,000 |
| 0740 - Chicago O'Hare Airport Fund | 834,357,561 | 8,084,124 | 704,844,315 | 119,051,000 | | 1,666,337,000 |
| 0994 - Controlled Substances Fund | 100,000 | | | | | 100,000 |
| 0996 - Affordable Housing Opportunity Fund | 34,212,000 | | | | | 34,212,000 |
| 0B09 - CTA Real Property Transfer Tax Fund | 93,000,000 | | | | | 93,000,000 |
| 0B21 - Tax Increment Financing Administration Fund | 16,775,750 | 17,250 | | | | 16,793,000 |
| 0B25 - Chicago Police CTA Detail Fund | 30,000,000 | | | | | 30,000,000 |
| 0B26 - Chicago Parking Meters Fund | 6,500,000 | | | | | 6,500,000 |
| 0B32 - Garbage Collection Fund | 61,655,000 | | | | | 61,655,000 |
| 0B40 - Houseshare Surcharge - Homeless Services Fund | 12,900,000 | | | | | 12,900,000 |
| 0B42 - Foreign Fire Insurance Tax Fund | 6,765,500 | 20,296,500 | | | | 27,062,000 |
| 0B43 - Houseshare Surcharge - Domestic Violence Fund | 10,494,000 | | | | | 10,494,000 |
| 0B70 - Cannabis Regulation Tax | 9,757,000 | | | | | 9,757,000 |
| 0D43 - Neighborhoods Opportunity Fund | 54,119,000 | | | | | 54,119,000 |
| 0D44 - Citywide Adopt-a-landmark Fund | 11,646,000 | | | | | 11,646,000 |
| 0D45 - Local Impact Fund | 11,512,000 | | | | | 11,512,000 |
| Total - Non-Property Tax Supported Funds | \$7,286,034,469 | \$43,028,300 | \$1,716,214,231 | \$948,540,000 | | \$9,993,817,000 |
| Total - All Funds | | | | | | |
| Deduct Transfers between Funds | | | | | | 1,449,342,000 |
| Total - All Funds | \$7,286,034,469 | \$43,028,300 | \$2,383,853,128 | \$3,558,743,000 | \$69,375,103 | \$13,341,034,000 |
| Deduct Proceeds of Debt | | | | | | 114,582,000 |
| Net Total - All Funds | | | | | | \$11,777,110,000 |

Summary D

SUMMARY OF PROPOSED 2023 APPROPRIATIONS BY FUNDS, DEPARTMENTS, AND OBJECT CLASSIFICATIONS

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|-----------------------|-------------------------|-----------|--------------|-----------|--------------------------------------|--|---------------|
| 0100 - Corporate Fund | | | | | | | | |
| 001 - Office of the Mayor | \$10,694,717 | \$401,695 | \$104,000 | \$30,000 | | | \$200,000 | \$11,430,412 |
| 003 - Office of Inspector General | 7,384,080 | 1,924,835 | 46,846 | 37,528 | 88,477 | | 99,060 | 9,580,826 |
| 005 - Office of Budget and Management | 3,298,877 | 22,500 | 500 | 5,800 | | | | 3,327,677 |
| 015 - City Council | | | | | | | | |
| 1005 - City Council | \$17,991,779 | \$29,500 | | \$7,000 | | | \$11,110,000 | \$29,138,279 |
| 1010 - City Council Committees | 4,197,442 | 366,900 | 4,000 | 93,600 | 9,500 | | 156,750 | 4,828,192 |
| 1012 - Council Office of Financial Analysis | 285,036 | | | | | | 32,644 | 317,680 |
| 2295 - Legislative Reference Bureau | 390,430 | 3,000 | | 13,000 | | | | 406,430 |
| Total - 015 - City Council | \$22,864,687 | \$399,400 | \$4,000 | \$113,600 | \$9,500 | | \$11,299,394 | \$34,690,581 |
| 021 - Department of Housing | 2,210,211 | 7,346,848 | 10,000 | | 65,000 | | 1,394,700 | 11,026,759 |
| 025 - Office of City Clerk | 2,614,068 | 1,821,478 | | 80,595 | | | | 4,516,141 |
| 027 - Department of Finance | | | | | | | | |
| 2011 - City Comptroller | \$3,018,987 | \$43,885 | \$250 | \$7,100 | | | | \$3,070,222 |
| 2012 - Accounting and Financial Reporting | 4,509,793 | 751,125 | 3,000 | 6,600 | | | | 5,270,518 |
| 2015 - Financial Strategy and Operations | 6,693,583 | 1,006,824 | 20,200 | 29,555 | | | 400 | 7,750,562 |
| 2020 - Revenue Services and Operations | 24,009,701 | 30,430,047 | 3,000 | 298,513 | 55,000 | | 40,000 | 54,836,261 |
| Total - 027 - Department of Finance | \$38,232,064 | \$32,231,881 | \$26,450 | \$341,768 | \$55,000 | | \$40,400 | \$70,927,563 |
| 028 - City Treasurer's Office | 1,634,906 | 1,018,626 | 18,000 | 6,500 | | | 7,000 | 2,685,032 |
| 030 - Department of Administrative Hearings | 3,085,984 | 5,308,838 | 1,750 | 29,058 | | | 21,850 | 8,447,480 |
| 031 - Department of Law | 29,401,942 | 3,405,569 | 70,760 | 55,878 | | | 11,000 | 32,945,149 |
| 033 - Department of Human Resources | 8,744,642 | 654,659 | 2,560 | 29,775 | | | 10,000 | 9,441,636 |
| 035 - Department of Procurement Services | 8,849,084 | 1,293,046 | 10,490 | 24,273 | 9,660 | | | 10,186,553 |
| 038 - Department of Assets, Information, and Services | | | | | | | | |
| 2103 - Bureau of Finance and Administration | \$3,415,447 | \$101,963 | | \$58,250 | | | | \$3,575,660 |
| 2126 - Bureau of Facility Management | 36,614,772 | 56,898,312 | | 5,205,023 | | | | 98,718,107 |
| 2131 - Bureau of Asset Management | 4,083,502 | 18,526,860 | | 44,247,370 | | | 763,235 | 67,620,967 |
| 2140 - Bureau of Fleet Operations | 41,095,000 | 22,742,446 | 10,000 | 23,912,420 | 35,000 | | | 87,794,866 |
| 2145 - Bureau of Information Technology | 4,671,512 | 21,708,150 | | 22,862 | | | | 26,402,524 |
| 2150 - Bureau of Centralized Information Technology | 5,340,918 | | | | | | | 5,340,918 |
| Total - 038 - Department of Assets, Information, and Services | \$95,221,151 | \$119,977,731 | \$10,000 | \$73,445,925 | \$35,000 | | \$763,235 | \$289,453,042 |
| 039 - Board of Election Commissioners | 17,797,710 | 37,216,572 | 43,010 | 1,545,528 | | | | 56,602,820 |
| 041 - Chicago Department of Public Health | 22,557,471 | 27,684,251 | 34,150 | 988,000 | 676,015 | | 18,330,458 | 70,270,345 |
| 045 - Chicago Commission on Human Relations | 1,073,964 | 126,208 | 5,300 | 2,600 | 5,500 | | 4,000 | 1,217,572 |
| 048 - Mayor's Office for People with Disabilities | 2,051,604 | 778,064 | 7,201 | 23,086 | 54,170 | | 15,000 | 2,929,125 |
| 050 - Department of Family and Support Services | 9,964,049 | 2,581,833 | 8,338 | 34,900 | | | 98,796,126 | 111,385,246 |
| 051 - Office of Public Safety Administration | 18,814,703 | 30,882,955 | | 2,918,364 | 202,000 | | 6,355,801 | 59,173,823 |

Summary D
Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

0100 - Corporate Fund - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|------------------------|-------------------------|--------------------|---------------------|--------------------|--------------------------------------|--|------------------------|
| 054 - Department of Planning and Development | 10,034,350 | 6,416,226 | 10,000 | 39,036 | 188,126 | | 30,000 | 16,717,738 |
| 055 - Chicago Police Board | 301,534 | 282,375 | 1,800 | 975 | | | 1,500 | 588,184 |
| 057 - Chicago Police Department | 1,579,592,637 | 5,917,484 | 217,719 | 8,700,591 | 96,048 | | 116,415,514 | 1,710,939,993 |
| 058 - Office of Emergency Management and Communications | 10,787,140 | 40,305 | 1,955 | 140,800 | 8,000 | | 40,000 | 11,018,200 |
| 059 - Chicago Fire Department | 632,592,578 | 8,189,881 | 47,275 | 4,336,931 | | | 18,490,000 | 663,656,665 |
| 060 - Civilian Office of Police Accountability | 12,919,356 | 1,057,665 | 20,000 | 64,500 | | | 974,500 | 15,036,021 |
| 062 - Community Commission for Public Safety and Accountability | 2,407,119 | 705,000 | 20,000 | 42,000 | | | 10,000 | 3,184,119 |
| 067 - Department of Buildings | 21,619,824 | 2,386,568 | 208,750 | 62,000 | | | 60,000 | 24,337,142 |
| 070 - Department of Business Affairs and Consumer Protection | 15,974,940 | 5,701,906 | 19,216 | 105,534 | | 10,000 | 51,000 | 21,862,596 |
| 072 - Office of Climate and Environmental Equity | 676,942 | | | | | | | 676,942 |
| 073 - Chicago Animal Care and Control | 5,558,034 | 790,905 | | 660,479 | | | 16,000 | 7,025,418 |
| 077 - License Appeal Commission | 102,732 | 94,810 | | 500 | | | | 198,042 |
| 078 - Board of Ethics | 857,448 | 50,134 | 5,167 | 3,810 | | | | 916,559 |
| 081 - Department of Streets and Sanitation | | | | | | | | |
| 2005 - Commissioner's Office | \$2,142,827 | \$9,200 | | \$4,765 | \$9,000 | | \$25,000 | \$2,190,792 |
| 2006 - Administrative Services Division | 1,959,534 | 46,185 | | 5,516 | | | | 2,011,235 |
| 2020 - Bureau of Sanitation | 41,413,177 | 85,824,722 | | 239,919 | 34,697 | | | 127,512,515 |
| 2025 - Bureau of Rodent Control | 9,069,494 | 4,112,208 | | 149,990 | 7,471 | | | 13,339,163 |
| 2045 - Bureau of Street Operations | 15,979,238 | 4,262,212 | | 883,248 | | | | 21,124,698 |
| 2060 - Bureau of Forestry | 19,344,524 | 3,153,085 | 1,900 | 181,226 | 175,000 | | | 22,855,735 |
| Total - 081 - Department of Streets and Sanitation | \$89,908,794 | \$97,407,612 | \$1,900 | \$1,464,664 | \$226,168 | | \$25,000 | \$189,034,138 |
| 084 - Chicago Department of Transportation | | | | | | | | |
| 2105 - Commissioner's Office | \$2,642,874 | \$341,400 | \$2,620 | \$6,500 | \$7,350 | | \$10,000 | \$3,010,744 |
| 2115 - Division of Administration | 4,956,508 | 97,385 | 2,100 | 14,200 | 4,150 | | 10,000 | 5,084,343 |
| 2125 - Division of Engineering | | 1,008,642 | | | | | | 1,008,642 |
| 2130 - Division of Traffic Safety | 1,246,274 | 16,972,408 | 5,000 | 2,350 | 5,000 | | | 18,231,032 |
| 2140 - Division of Sign Management | 612,214 | 29,000 | | 49,000 | 87,128 | | | 777,342 |
| 2145 - Division of Project Development | 3,353,689 | 465,871 | 4,350 | 34,116 | 25,000 | | | 3,883,026 |
| 2150 - Division of Electrical Operations | 4,132,962 | 4,564,183 | 252,110 | 21,230 | 35,031 | | 10,000 | 9,015,516 |
| 2155 - Division of In-House Construction | 4,147,920 | 182,956 | | 78,300 | 33,020 | | 10,000 | 4,452,196 |
| 2160 - Citywide Services | 1,192,841 | 1,391,895 | | 200 | 7,714 | | 256,000 | 2,848,650 |
| Total - 084 - Chicago Department of Transportation | \$22,285,282 | \$25,053,740 | \$266,180 | \$205,896 | \$204,393 | | \$296,000 | \$48,311,491 |
| 099 - Finance General | 477,755,998 | 140,631,479 | 300,000 | 875,000 | 320,000 | | 1,302,671,493 | 1,922,553,970 |
| Total - 0100 - Corporate Fund | \$3,189,870,622 | \$569,803,079 | \$1,523,317 | \$96,415,894 | \$2,243,057 | \$10,000 | \$1,576,429,031 | \$5,436,295,000 |
| Percent of Total | 58.68 | 10.48 | .03 | 1.77 | .04 | .00 | 29.00 | 100.00 |

Summary D
Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|-----------------------|-------------------------|-----------------|---------------------|--------------------|--------------------------------------|--|----------------------|
| 0200 - Water Fund | | | | | | | | |
| 003 - Office of Inspector General | \$1,145,150 | \$92,429 | \$1,074 | \$4,628 | | | \$1,215 | \$1,244,496 |
| 005 - Office of Budget and Management | 241,596 | | | | | | | 241,596 |
| 027 - Department of Finance | | | | | | | | |
| 2012 - Accounting and Financial Reporting | \$301,945 | | | | | | | \$301,945 |
| 2015 - Financial Strategy and Operations | 445,125 | 252,322 | | | | | | 697,447 |
| 2020 - Revenue Services and Operations | 2,435,552 | 7,510,495 | | 23,400 | | | 15,000 | 9,984,447 |
| Total - 027 - Department of Finance | \$3,182,622 | \$7,762,817 | | \$23,400 | | | \$15,000 | \$10,983,839 |
| 028 - City Treasurer's Office | 354,984 | 211,496 | | | | | | 566,480 |
| 031 - Department of Law | 1,617,243 | 170,964 | 4,218 | 3,839 | | | 1,323 | 1,797,587 |
| 033 - Department of Human Resources | 303,173 | 3,808 | | 208 | | | | 307,189 |
| 035 - Department of Procurement Services | 437,074 | | | | | | | 437,074 |
| 038 - Department of Assets, Information, and Services | | | | | | | | |
| 2126 - Bureau of Facility Management | | \$552,330 | | \$8,114 | | | | \$560,444 |
| 2131 - Bureau of Asset Management | | 753,563 | | 30,818,024 | | | | 31,571,587 |
| 2140 - Bureau of Fleet Operations | 5,107,559 | 891,003 | | 1,935,533 | | | | 7,934,095 |
| 2145 - Bureau of Information Technology | | 6,405,683 | | | | | | 6,405,683 |
| Total - 038 - Department of Assets, Information, and Services | \$5,107,559 | \$8,602,579 | | \$32,761,671 | | | | \$46,471,809 |
| 067 - Department of Buildings | 3,351,237 | | 21,000 | | | | | 3,372,237 |
| 088 - Department of Water Management | | | | | | | | |
| 2005 - Commissioner's Office | \$5,899,528 | \$5,932,753 | \$18,400 | \$329,100 | \$107,328 | | | \$12,287,109 |
| 2010 - Bureau of Administrative Support | 4,330,352 | 548,655 | 2,500 | 38,026 | 96,716 | | 82,500 | 5,096,749 |
| 2015 - Bureau of Engineering Services | 7,846,021 | 2,426,400 | 14,500 | 54,250 | 3,500 | 1,000,000 | | 11,344,671 |
| 2020 - Bureau of Water Supply | 69,369,459 | 10,044,525 | 4,200 | 29,912,478 | 2,347,383 | | 100,000 | 111,778,045 |
| 2025 - Bureau of Operations and Distribution | 95,822,628 | 9,688,705 | | 8,894,737 | 656,391 | 2,946,315 | 367,919 | 118,376,695 |
| 2035 - Bureau of Meter Services | 10,256,535 | 500 | 8,500 | 231,875 | 233,500 | | | 10,730,910 |
| Total - 088 - Department of Water Management | \$193,524,523 | \$28,639,538 | \$48,100 | \$39,460,466 | \$3,444,818 | \$3,946,315 | \$550,419 | \$269,614,179 |
| 099 - Finance General | 41,650,568 | 18,397,255 | | | | | 538,779,691 | 598,827,514 |
| Total - 0200 - Water Fund | \$250,915,729 | \$63,880,886 | \$74,392 | \$72,254,212 | \$3,444,818 | \$3,946,315 | \$539,347,648 | \$933,864,000 |

Summary D Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|-----------------------|-------------------------|------------------|---------------------|--------------------|--------------------------------------|--|----------------------|
| 0300 - Vehicle Tax Fund | | | | | | | | |
| 015 - City Council | \$605,640 | \$15,000 | | \$20,000 | | | | \$640,640 |
| 025 - Office of City Clerk | 4,414,587 | 2,778,422 | 18,000 | 587,141 | | | 5,000 | 7,803,150 |
| 027 - Department of Finance | | | | | | | | |
| 2015 - Financial Strategy and Operations | \$475,915 | | | 250 | 1,201,127 | | | \$475,915 |
| 2020 - Revenue Services and Operations | 409,466 | | | | | | | 1,610,843 |
| Total - 027 - Department of Finance | \$885,381 | | | \$250 | \$1,201,127 | | | \$2,086,758 |
| 031 - Department of Law | 1,973,049 | 149,589 | 2,491 | 3,036 | | | 1,006 | 2,129,171 |
| 033 - Department of Human Resources | 51,168 | | | | | | | 51,168 |
| 035 - Department of Procurement Services | 134,383 | | | | | | | 134,383 |
| 038 - Department of Assets, Information, and Services | | | | | | | | |
| 2126 - Bureau of Facility Management | | \$2,249,821 | | \$348,287 | | | | \$2,598,108 |
| 2131 - Bureau of Asset Management | | 8,842,449 | | 14,642,828 | | | | 23,485,277 |
| 2140 - Bureau of Fleet Operations | | 87,190 | | 20,409 | | | | 107,599 |
| 2145 - Bureau of Information Technology | | 469,274 | | | | | | 469,274 |
| Total - 038 - Department of Assets, Information, and Services | | \$11,648,734 | | \$15,011,524 | | | | \$26,660,258 |
| 067 - Department of Buildings | 511,698 | | | | | | | 511,698 |
| 081 - Department of Streets and Sanitation | | | | | | | | |
| 2045 - Bureau of Street Operations | \$15,565,239 | \$3,162,958 | | \$216,929 | \$79,334 | | \$5,000 | \$19,029,460 |
| 2070 - Bureau of Traffic Services | 14,108,979 | 10,446,188 | | 176,945 | | | 551,800 | 25,283,912 |
| Total - 081 - Department of Streets and Sanitation | \$29,674,218 | \$13,609,146 | | \$393,874 | \$79,334 | | \$556,800 | \$44,313,372 |
| 084 - Chicago Department of Transportation | | | | | | | | |
| 2125 - Division of Engineering | \$6,652,166 | \$1,102,563 | \$12,823 | \$17,000 | \$87,302 | | | \$7,871,854 |
| 2135 - Division of Infrastructure Management | 6,236,542 | 8,558,123 | 146,500 | 46,150 | 51,430 | | 4,000 | 15,042,745 |
| 2155 - Division of In-House Construction | 52,254,308 | 394,499 | 7,600 | 36,250 | | | | 52,692,657 |
| Total - 084 - Chicago Department of Transportation | \$65,143,016 | \$10,055,185 | \$166,923 | \$99,400 | \$138,732 | | \$4,000 | \$75,607,256 |
| 099 - Finance General | 28,055,707 | 10,333,967 | | | | | 56,079,472 | 94,469,146 |
| Total - 0300 - Vehicle Tax Fund | \$131,448,847 | \$48,590,043 | \$187,414 | \$16,115,225 | \$1,419,193 | | \$56,646,278 | \$254,407,000 |

Summary D Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|-----------------------|-------------------------|-----------------|---------------------|------------------|--------------------------------------|--|----------------------|
| 0310 - Motor Fuel Tax Fund | | | | | | | | |
| 038 - Department of Assets, Information, and Services | | | | \$16,596,923 | | | | \$16,596,923 |
| 081 - Department of Streets and Sanitation | | | | 18,585,690 | | | | 18,585,690 |
| 084 - Chicago Department of Transportation | | | | | | | | |
| 2140 - Division of Sign Management | \$3,619,339 | \$2,800,000 | \$19,200 | \$1,801,038 | | | | \$8,239,577 |
| 2145 - Division of Project Development | | 1,200,000 | | | | | | 1,200,000 |
| 2150 - Division of Electrical Operations | 27,705,611 | 845,449 | | 3,885,760 | | | | 32,436,820 |
| 2155 - Division of In-House Construction | 28,372,132 | 4,073,275 | | 6,647,630 | | | | 39,093,037 |
| 2160 - Citywide Services | | 7,358,953 | | | | | | 7,358,953 |
| Total - 084 - Chicago Department of Transportation | \$59,697,082 | \$16,277,677 | \$19,200 | \$12,334,428 | | | | \$88,328,387 |
| 099 - Finance General | 31,000 | | | | | | 3,000,000 | 3,031,000 |
| Total - 0310 - Motor Fuel Tax Fund | \$59,728,082 | \$16,277,677 | \$19,200 | \$47,517,041 | | | \$3,000,000 | \$126,542,000 |
| 0314 - Sewer Fund | | | | | | | | |
| 003 - Office of Inspector General | | | | | | | | |
| 027 - Department of Finance | | | | | | | | |
| 2015 - Financial Strategy and Operations | | \$34,300 | | | | | | \$34,300 |
| 2020 - Revenue Services and Operations | | 1,628,237 | | | | | | 1,628,237 |
| Total - 027 - Department of Finance | | \$1,662,537 | | | | | | \$1,662,537 |
| 028 - City Treasurer's Office | 155,906 | 114,082 | | | | | | 269,988 |
| 031 - Department of Law | 858,605 | 95,350 | 2,822 | 2,394 | | | 805 | 959,976 |
| 038 - Department of Assets, Information, and Services | | | | | | | | |
| 2131 - Bureau of Asset Management | | \$561,968 | | \$1,346,386 | | | | \$1,908,354 |
| 2140 - Bureau of Fleet Operations | 3,195,052 | 1,321,078 | | 972,600 | | | | 5,488,730 |
| 2145 - Bureau of Information Technology | | 58,206 | | | | | | 58,206 |
| Total - 038 - Department of Assets, Information, and Services | \$3,195,052 | \$1,941,252 | | \$2,318,986 | | | | \$7,455,290 |
| 067 - Department of Buildings | 1,304,217 | 885,000 | 8,000 | | | | | 2,197,217 |
| 088 - Department of Water Management | | | | | | | | |
| 2015 - Bureau of Engineering Services | \$2,603,566 | \$727,410 | | \$6,500 | \$28,000 | | | \$3,365,476 |
| 2025 - Bureau of Operations and Distribution | 60,032,936 | 5,532,579 | 79,390 | 5,327,602 | 370,596 | | 13,045,702 | 84,388,805 |
| Total - 088 - Department of Water Management | \$62,636,502 | \$6,259,989 | \$79,390 | \$5,334,102 | \$398,596 | | \$13,045,702 | \$87,754,281 |
| 099 - Finance General | 14,964,474 | 8,233,295 | | | | | 333,447,727 | 356,645,496 |
| Total - 0314 - Sewer Fund | \$83,804,747 | \$19,249,396 | \$90,714 | \$7,657,588 | \$398,596 | | \$346,495,959 | \$457,697,000 |

Summary D Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|-----------------------|-------------------------|-----------------|--------------------|------------------|--------------------------------------|--|----------------------|
| 0346 - Library Fund | | | | | | | | |
| 038 - Department of Assets, Information, and Services | | | | | | | | |
| 2126 - Bureau of Facility Management | | \$14,335,540 | | \$978,280 | | | | \$15,313,820 |
| 2131 - Bureau of Asset Management | | 1,852,943 | | 4,652,811 | | | | 6,505,754 |
| 2140 - Bureau of Fleet Operations | | 13,960 | | 26,550 | | | | 40,510 |
| 2145 - Bureau of Information Technology | | 279,804 | | | | | | 279,804 |
| Total - 038 - Department of Assets, Information, and Services | | \$16,482,247 | | \$5,657,641 | | | | \$22,139,888 |
| 091 - Chicago Public Library | 68,689,104 | 5,190,705 | 17,880 | 675,811 | 680,972 | | 10,515,000 | 85,769,472 |
| 099 - Finance General | 13,599,679 | 438,345 | | | 160,000 | | 17,167,616 | 31,365,640 |
| Total - 0346 - Library Fund | \$82,288,783 | \$22,111,297 | \$17,880 | \$6,333,452 | \$840,972 | | \$27,682,616 | \$139,275,000 |
| 0353 - Emergency Communication Fund | | | | | | | | |
| 051 - Office of Public Safety Administration | \$12,780,711 | \$57,637,931 | \$90,000 | \$3,779,151 | \$77,125 | | \$726,935 | \$75,091,853 |
| 058 - Office of Emergency Management and Communications | 56,383,311 | 3,971,680 | 7,000 | 88,014 | | | 20,000 | 60,470,005 |
| 099 - Finance General | 11,449,871 | 2,181,534 | | | | | 33,895,737 | 47,527,142 |
| Total - 0353 - Emergency Communication Fund | \$80,613,893 | \$63,791,145 | \$97,000 | \$3,867,165 | \$77,125 | | \$34,642,672 | \$183,089,000 |
| 0355 - Special Events and Municipal Hotel Operators' Occupation Tax Fund | | | | | | | | |
| 001 - Office of the Mayor | \$439,584 | | | | | | | \$439,584 |
| 015 - City Council | 176,274 | | | 3,720 | | | | 179,994 |
| 023 - Department of Cultural Affairs and Special Events | 6,863,175 | 5,872,041 | 10,500 | 60,000 | | | 17,681,169 | 30,486,885 |
| 038 - Department of Assets, Information, and Services | | | | | | | \$5,879,200 | \$5,879,200 |
| 2126 - Bureau of Facility Management | | | | | | | 88,610 | 88,610 |
| 2145 - Bureau of Information Technology | | 88,610 | | | | | \$5,879,200 | \$5,967,810 |
| Total - 038 - Department of Assets, Information, and Services | | \$88,610 | | | | | | |
| 099 - Finance General | 1,241,274 | 770,943 | | | | | 7,020,510 | 9,032,727 |
| Total - 0355 - Special Events and Municipal Hotel Operators' Occupation Tax Fund | \$8,720,307 | \$6,731,594 | \$10,500 | \$63,720 | | | \$30,580,879 | \$46,107,000 |
| 0510 - Bond Redemption and Interest Series Fund | | | | | | | | |
| 099 - Finance General | | | | | | | \$527,361,000 | \$527,361,000 |
| Total - 0510 - Bond Redemption and Interest Series Fund | | | | | | | \$527,361,000 | \$527,361,000 |

Summary D
Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|-----------------------|-------------------------|-----------------|---------------------|--------------------|--------------------------------------|--|----------------------|
| 0521 - Library Note Redemption and Interest Tender Notes Series "B" Fund | | | | | | | | |
| 099 - Finance General | | | | | | | \$119,356,000 | \$119,356,000 |
| Total - 0521 - Library Note Redemption and Interest Tender Notes Series "B" Fund | | | | | | | \$119,356,000 | \$119,356,000 |
| 0549 - City Colleges Bond Redemption and Interest Fund | | | | | | | | |
| 099 - Finance General | | | | | | | \$33,822,000 | \$33,822,000 |
| Total - 0549 - City Colleges Bond Redemption and Interest Fund | | | | | | | \$33,822,000 | \$33,822,000 |
| 0610 - Chicago Midway Airport Fund | | | | | | | | |
| 003 - Office of Inspector General | \$216,812 | \$29,342 | \$273 | \$920 | | | | \$247,347 |
| 027 - Department of Finance | | | | | | | | |
| 2012 - Accounting and Financial Reporting | \$178,112 | \$10,720 | \$420 | \$500 | | | | \$189,752 |
| 2015 - Financial Strategy and Operations | 208,112 | 32,938 | | | | | | 241,050 |
| Total - 027 - Department of Finance | \$386,224 | \$43,658 | \$420 | \$500 | | | | \$430,802 |
| 028 - City Treasurer's Office | 253,807 | 176,027 | | | | | | 429,834 |
| 031 - Department of Law | 388,527 | 75,773 | 5,127 | 2,498 | | | 863 | 472,788 |
| 033 - Department of Human Resources | 118,449 | | | | | | | 118,449 |
| 035 - Department of Procurement Services | 309,302 | 10,000 | | 200 | | | | 319,502 |
| 038 - Department of Assets, Information, and Services | | | | | | | | |
| 2131 - Bureau of Asset Management | | \$20,533 | | \$8,962,587 | | | | \$8,983,120 |
| 2140 - Bureau of Fleet Operations | 1,570,651 | 1,826,253 | | 993,046 | 459,050 | | | 4,849,000 |
| 2145 - Bureau of Information Technology | | 91,592 | | | | | | 91,592 |
| Total - 038 - Department of Assets, Information, and Services | \$1,570,651 | \$1,938,378 | | \$9,955,633 | \$459,050 | | | \$13,923,712 |
| 051 - Office of Public Safety Administration | | 16,488 | | 25,750 | | | | 42,238 |
| 057 - Chicago Police Department | 8,420,160 | | | | | | 70,200 | 8,490,360 |
| 058 - Office of Emergency Management and Communications | 1,949,865 | | | 90,000 | | | | 2,039,865 |
| 059 - Chicago Fire Department | 8,617,591 | 90,000 | | | | | 170,100 | 8,877,691 |
| 085 - Chicago Department of Aviation | 27,347,620 | 101,860,100 | 12,400 | 4,010,800 | 1,791,300 | | 35,000 | 135,057,220 |
| 099 - Finance General | 7,795,788 | 8,662,950 | 5,000 | | | | 183,540,454 | 200,004,192 |
| Total - 0610 - Chicago Midway Airport Fund | \$57,374,796 | \$112,902,716 | \$23,220 | \$14,086,301 | \$2,250,350 | | \$183,816,617 | \$370,454,000 |

Summary D Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|-----------------------|-------------------------|------------------|---------------------|--------------------|--------------------------------------|--|------------------------|
| Pension Funds | | | | | | | \$2,666,678,000 | \$2,666,678,000 |
| 0740 - Chicago O'Hare Airport Fund | | | | | | | | |
| 003 - Office of Inspector General | \$1,119,431 | \$87,457 | \$942 | \$3,752 | | | | \$1,211,582 |
| 027 - Department of Finance | | | | | | | | |
| 2012 - Accounting and Financial Reporting | \$2,000,393 | \$72,985 | | \$4,000 | | | | \$2,077,378 |
| 2015 - Financial Strategy and Operations | 506,896 | 160,009 | | | | | | 666,905 |
| Total - 027 - Department of Finance | \$2,507,289 | \$232,994 | | \$4,000 | | | | \$2,744,283 |
| 028 - City Treasurer's Office | 874,582 | 416,233 | | | | | | 1,290,815 |
| 031 - Department of Law | 2,330,248 | 116,702 | 7,082 | 4,944 | | | 1,253 | 2,460,229 |
| 033 - Department of Human Resources | 416,247 | 6,245 | | | | | | 422,492 |
| 035 - Department of Procurement Services | 1,444,073 | 38,000 | 300 | 600 | | | | 1,482,973 |
| 038 - Department of Assets, Information, and Services | | | | | | | | |
| 2131 - Bureau of Asset Management | | \$535,934 | | \$35,372,757 | | | | \$35,908,691 |
| 2140 - Bureau of Fleet Operations | 10,419,981 | 4,261,610 | | 5,456,105 | 221,224 | | | 20,358,920 |
| 2145 - Bureau of Information Technology | | 359,767 | | | | | | 359,767 |
| Total - 038 - Department of Assets, Information, and Services | \$10,419,981 | \$5,157,311 | | \$40,828,862 | \$221,224 | | | \$56,627,378 |
| 051 - Office of Public Safety Administration | | 16,488 | | 15,750 | | | | 32,238 |
| 057 - Chicago Police Department | 25,810,902 | | | | | | 172,800 | 25,983,702 |
| 058 - Office of Emergency Management and Communications | 4,298,791 | | | 21,445 | | | | 4,320,236 |
| 059 - Chicago Fire Department | 31,585,521 | 353,600 | | | | | 267,300 | 32,206,421 |
| 085 - Chicago Department of Aviation | 164,134,613 | 335,144,400 | 183,000 | 18,800,200 | 7,862,900 | | 2,180,000 | 528,305,113 |
| 099 - Finance General | 37,235,826 | 111,143,241 | | | | | 860,870,471 | 1,009,249,538 |
| Total - 0740 - Chicago O'Hare Airport Fund | \$282,177,504 | \$452,712,671 | \$191,324 | \$59,679,553 | \$8,084,124 | | \$863,491,824 | \$1,666,337,000 |
| 0994 - Controlled Substances Fund | | | | | | | | |
| 057 - Chicago Police Department | | \$100,000 | | | | | | \$100,000 |
| Total - 0994 - Controlled Substances Fund | | \$100,000 | | | | | | \$100,000 |
| 0996 - Affordable Housing Opportunity Fund | | | | | | | | |
| 021 - Department of Housing | \$468,338 | | | | | | \$32,728,876 | \$33,197,214 |
| 099 - Finance General | 101,786 | | | | | | 913,000 | 1,014,786 |
| Total - 0996 - Affordable Housing Opportunity Fund | \$570,124 | | | | | | \$33,641,876 | \$34,212,000 |

Summary D
Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|-----------------------|-------------------------|--------|----------------|-----------------|--------------------------------------|--|---------------------|
| 0B09 - CTA Real Property Transfer Tax Fund | | | | | | | | |
| 099 - Finance General | | | | | | | \$93,000,000 | \$93,000,000 |
| Total - 0B09 - CTA Real Property Transfer Tax Fund | | | | | | | \$93,000,000 | \$93,000,000 |
| 0B21 - Tax Increment Financing Administration Fund | | | | | | | | |
| 005 - Office of Budget and Management | \$184,674 | | | | | | | \$184,674 |
| 021 - Department of Housing | 564,703 | 40,000 | | | | | | 604,703 |
| 027 - Department of Finance | 451,245 | 221,701 | | | | | | 672,946 |
| 028 - City Treasurer's Office | 353,390 | 117,421 | | | | | | 470,811 |
| 031 - Department of Law | 1,176,904 | | | | | | | 1,176,904 |
| 054 - Department of Planning and Development | 5,122,930 | 1,844,960 | | 3,000 | 17,250 | | 225,000 | 7,213,140 |
| 070 - Department of Business Affairs and Consumer Protection | | | | | | | 375,000 | 375,000 |
| 084 - Chicago Department of Transportation | | | | | | | | |
| 2115 - Division of Administration | \$197,862 | | | | | | | \$197,862 |
| Total - 084 - Chicago Department of Transportation | \$197,862 | | | | | | | \$197,862 |
| 099 - Finance General | 1,150,447 | 407,292 | | | | | 4,339,221 | 5,896,960 |
| Total - 0B21 - Tax Increment Financing Administration Fund | \$9,202,155 | \$2,631,374 | | \$3,000 | \$17,250 | | \$4,939,221 | \$16,793,000 |
| 0B25 - Chicago Police CTA Detail Fund | | | | | | | | |
| 057 - Chicago Police Department | \$30,000,000 | | | | | | | \$30,000,000 |
| Total - 0B25 - Chicago Police CTA Detail Fund | \$30,000,000 | | | | | | | \$30,000,000 |
| 0B26 - Chicago Parking Meters Fund | | | | | | | | |
| 027 - Department of Finance | | \$6,500,000 | | | | | | \$6,500,000 |
| Total - 0B26 - Chicago Parking Meters Fund | | \$6,500,000 | | | | | | \$6,500,000 |
| 0B32 - Garbage Collection Fund | | | | | | | | |
| 081 - Department of Streets and Sanitation | \$59,532,408 | | | | | | | \$59,532,408 |
| 099 - Finance General | 344,500 | 1,778,092 | | | | | | 2,122,592 |
| Total - 0B32 - Garbage Collection Fund | \$59,876,908 | \$1,778,092 | | | | | | \$61,655,000 |
| 0B40 - Houseshare Surcharge - Homeless Services Fund | | | | | | | | |
| 050 - Department of Family and Support Services | | | | | | | \$12,420,000 | \$12,420,000 |
| 099 - Finance General | | | | | | | 480,000 | 480,000 |
| Total - 0B40 - Houseshare Surcharge - Homeless Services Fund | | | | | | | \$12,900,000 | \$12,900,000 |

Summary D
Summary of Proposed 2023 Appropriations by Funds, Departments, and Object Classifications - Continued

| | Personnel Services | Contractual Services | Travel | Commodities | Equipment | Permanent Improvement and Land | Specific Items and Contingencies | Totals |
|---|------------------------|-------------------------|--------------------|----------------------|---------------------|--------------------------------------|--|-------------------------|
| 0B42 - Foreign Fire Insurance Tax Fund | | | | | | | | |
| 099 - Finance General | | | | | \$6,765,500 | \$13,531,000 | \$6,765,500 | \$27,062,000 |
| Total - 0B42 - Foreign Fire Insurance Tax Fund | | | | | \$6,765,500 | \$13,531,000 | \$6,765,500 | \$27,062,000 |
| 0B43 - Houseshare Surcharge - Domestic Violence Fund | | | | | | | | |
| 050 - Department of Family and Support Services | | \$9,966,000 | | | | | | \$9,966,000 |
| 099 - Finance General | | | | | | | 528,000 | 528,000 |
| Total - 0B43 - Houseshare Surcharge - Domestic Violence Fund | | \$9,966,000 | | | | | \$528,000 | \$10,494,000 |
| 0B70 - Cannabis Regulation Tax | | | | | | | | |
| 099 - Finance General | | | | | | | | \$9,757,000 |
| Total - 0B70 - Cannabis Regulation Tax | | | | | | | \$9,757,000 | \$9,757,000 |
| 0D43 - Neighborhoods Opportunity Fund | | | | | | | | |
| 054 - Department of Planning and Development | \$375,202 | \$310,500 | | | | | \$51,675,864 | \$52,361,566 |
| 099 - Finance General | 72,434 | | | | | | 1,685,000 | 1,757,434 |
| Total - 0D43 - Neighborhoods Opportunity Fund | \$447,636 | \$310,500 | | | | | \$53,360,864 | \$54,119,000 |
| 0D44 - Citywide Adopt-a-landmark Fund | | | | | | | | |
| 054 - Department of Planning and Development | | | | | | | \$11,646,000 | \$11,646,000 |
| Total - 0D44 - Citywide Adopt-a-landmark Fund | | | | | | | \$11,646,000 | \$11,646,000 |
| 0D45 - Local Impact Fund | | | | | | | | |
| 054 - Department of Planning and Development | | | | | | | \$11,512,000 | \$11,512,000 |
| Total - 0D45 - Local Impact Fund | | | | | | | \$11,512,000 | \$11,512,000 |
| Total - All Funds | \$4,327,040,133 | \$1,397,336,470 | \$2,234,961 | \$323,993,151 | \$25,540,985 | \$17,487,315 | \$7,247,400,985 | \$13,341,034,000 |
| Deduct Transfers between Funds | | | | | | | 1,449,342,000 | |
| Total - All Funds | | | | | | | \$11,891,692,000 | \$11,891,692,000 |
| Deduct Proceeds of Debt | | | | | | | 114,582,000 | |
| Net Total - All Funds | | | | | | | \$11,777,110,000 | \$11,777,110,000 |

Summary E

DISTRIBUTION OF PROPOSED APPROPRIATIONS BY FUNCTION AND ORGANIZATION UNITS - 2023

| | Corporate Fund | Special Revenue Funds | Pension Funds | Debt Service Funds | Enterprise Funds | Totals |
|---|----------------------|-----------------------|---------------|--------------------|----------------------|----------------------|
| Finance and Administration | | | | | | |
| 001 - Office of the Mayor | \$11,430,412 | \$439,584 | | | | \$11,869,996 |
| 005 - Office of Budget and Management | 3,327,677 | 184,674 | | | 241,596 | 3,753,947 |
| 025 - Office of City Clerk | 4,516,141 | 7,803,150 | | | | 12,319,291 |
| 027 - Department of Finance | | | | | | |
| 2011 - City Comptroller | \$3,070,222 | | | | | \$3,070,222 |
| 2012 - Accounting and Financial Reporting | 5,270,518 | 672,946 | | | 2,569,075 | 8,512,539 |
| 2015 - Financial Strategy and Operations | 7,750,562 | 6,975,915 | | | 1,639,702 | 16,366,179 |
| 2020 - Revenue Services and Operations | 54,836,261 | 1,610,843 | | | 11,612,684 | 68,059,788 |
| Total - 027 - Department of Finance | \$70,927,563 | \$9,259,704 | | | \$15,821,461 | \$96,008,728 |
| 028 - City Treasurer's Office | 2,685,032 | 470,811 | | | 2,557,117 | 5,712,960 |
| 030 - Department of Administrative Hearings | 8,447,480 | | | | | 8,447,480 |
| 031 - Department of Law | 32,945,149 | 3,306,075 | | | 5,690,580 | 41,941,804 |
| 033 - Department of Human Resources | 9,441,636 | 51,168 | | | 848,130 | 10,340,934 |
| 035 - Department of Procurement Services | 10,186,553 | 134,383 | | | 2,239,549 | 12,560,485 |
| 038 - Department of Assets, Information, and Services | | | | | | |
| 2103 - Bureau of Finance and Administration | \$3,575,660 | | | | | \$3,575,660 |
| 2126 - Bureau of Facility Management | 98,718,107 | 23,791,128 | | | 560,444 | 123,069,679 |
| 2131 - Bureau of Asset Management | 67,620,967 | 46,587,954 | | | 78,371,752 | 192,580,673 |
| 2140 - Bureau of Fleet Operations | 87,794,866 | 148,109 | | | 38,630,745 | 126,573,720 |
| 2145 - Bureau of Information Technology | 26,402,524 | 837,688 | | | 6,915,248 | 34,155,460 |
| 2150 - Bureau of Centralized Information Technology | 5,340,918 | | | | | 5,340,918 |
| Total - 038 - Department of Assets, Information, and Services | \$289,453,042 | \$71,364,879 | | | \$124,478,189 | \$485,296,110 |
| Total - Finance and Administration | \$443,360,685 | \$93,014,428 | | | \$151,876,622 | \$688,251,735 |

Summary E

Distribution of Proposed Appropriations by Function and Organization Units - 2023 - Continued

| | Corporate Fund | Special Revenue Funds | Pension Funds | Debt Service Funds | Enterprise Funds | Totals |
|--|----------------------|-----------------------|---------------|--------------------|------------------------|------------------------|
| Infrastructure Services | | | | | | |
| 081 - Department of Streets and Sanitation | | | | | | |
| 2005 - Commissioner's Office | \$2,190,792 | | | | | \$2,190,792 |
| 2006 - Administrative Services Division | 2,011,235 | | | | | 2,011,235 |
| 2020 - Bureau of Sanitation | 127,512,515 | 59,532,408 | | | | 187,044,923 |
| 2025 - Bureau of Rodent Control | 13,339,163 | | | | | 13,339,163 |
| 2045 - Bureau of Street Operations | 21,124,698 | 37,615,150 | | | | 58,739,848 |
| 2060 - Bureau of Forestry | 22,855,735 | | | | | 22,855,735 |
| 2070 - Bureau of Traffic Services | | 25,283,912 | | | | 25,283,912 |
| Total - 081 - Department of Streets and Sanitation | \$189,034,138 | \$122,431,470 | | | | \$311,465,608 |
| 084 - Chicago Department of Transportation | | | | | | |
| 2105 - Commissioner's Office | \$3,010,744 | | | | | \$3,010,744 |
| 2115 - Division of Administration | 5,084,343 | 197,862 | | | | 5,282,205 |
| 2125 - Division of Engineering | 1,008,642 | 7,871,854 | | | | 8,880,496 |
| 2130 - Division of Traffic Safety | 18,231,032 | | | | | 18,231,032 |
| 2135 - Division of Infrastructure Management | | 15,042,745 | | | | 15,042,745 |
| 2140 - Division of Sign Management | 777,342 | 8,239,577 | | | | 9,016,919 |
| 2145 - Division of Project Development | 3,883,026 | 1,200,000 | | | | 5,083,026 |
| 2150 - Division of Electrical Operations | 9,015,516 | 32,436,820 | | | | 41,452,336 |
| 2155 - Division of In-House Construction | 4,452,196 | 91,785,694 | | | | 96,237,890 |
| 2160 - Citywide Services | 2,848,650 | 7,358,953 | | | | 10,207,603 |
| Total - 084 - Chicago Department of Transportation | \$48,311,491 | \$164,133,505 | | | | \$212,444,996 |
| 085 - Chicago Department of Aviation | | | | | | |
| 2010 - Chicago Midway Airport | | | | | \$135,057,220 | \$135,057,220 |
| 2015 - Chicago O'Hare International Airport | | | | | 528,305,113 | 528,305,113 |
| Total - 085 - Chicago Department of Aviation | | | | | \$663,362,333 | \$663,362,333 |
| 088 - Department of Water Management | | | | | | |
| 2005 - Commissioner's Office | | | | | \$12,287,109 | \$12,287,109 |
| 2010 - Bureau of Administrative Support | | | | | 5,096,749 | 5,096,749 |
| 2015 - Bureau of Engineering Services | | | | | 14,710,147 | 14,710,147 |
| 2020 - Bureau of Water Supply | | | | | 111,778,045 | 111,778,045 |
| 2025 - Bureau of Operations and Distribution | | | | | 202,765,500 | 202,765,500 |
| 2035 - Bureau of Meter Services | | | | | 10,730,910 | 10,730,910 |
| Total - 088 - Department of Water Management | | | | | \$357,368,460 | \$357,368,460 |
| Total - Infrastructure Services | \$237,345,629 | \$286,564,975 | | | \$1,020,730,793 | \$1,544,641,397 |

Summary E
Distribution of Proposed Appropriations by Function and Organization Units - 2023 - Continued

| | Corporate Fund | Special Revenue Funds | Pension Funds | Debt Service Funds | Enterprise Funds | Totals |
|---|------------------------|-----------------------|---------------|--------------------|---------------------|------------------------|
| Public Safety | | | | | | |
| 051 - Office of Public Safety Administration | \$59,173,823 | \$75,091,853 | | | \$74,476 | \$134,340,152 |
| 055 - Chicago Police Board | 588,184 | | | | | 588,184 |
| 057 - Chicago Police Department | 1,710,939,993 | 30,100,000 | | | 34,474,062 | 1,775,514,055 |
| 058 - Office of Emergency Management and Communications | 11,018,200 | 60,470,005 | | | 6,360,101 | 77,848,306 |
| 059 - Chicago Fire Department | 663,656,665 | | | | 41,084,112 | 704,740,777 |
| 060 - Civilian Office of Police Accountability | 15,036,021 | | | | | 15,036,021 |
| 062 - Community Commission for Public Safety and Accountability | 3,184,119 | | | | | 3,184,119 |
| Total - Public Safety | \$2,463,597,005 | \$165,661,858 | | | \$81,992,751 | \$2,711,251,614 |
| Community Services | | | | | | |
| 041 - Chicago Department of Public Health | \$70,270,345 | | | | | \$70,270,345 |
| 045 - Chicago Commission on Human Relations | 1,217,572 | | | | | 1,217,572 |
| 048 - Mayor's Office for People with Disabilities | 2,929,125 | | | | | 2,929,125 |
| 050 - Department of Family and Support Services | 111,385,246 | 22,386,000 | | | | 133,771,246 |
| 091 - Chicago Public Library | | 85,769,472 | | | | 85,769,472 |
| Total - Community Services | \$185,802,288 | \$108,155,472 | | | | \$293,957,760 |
| City Development | | | | | | |
| 021 - Department of Housing | \$11,026,759 | \$33,801,917 | | | | \$44,828,676 |
| 023 - Department of Cultural Affairs and Special Events | | 30,486,885 | | | | 30,486,885 |
| 054 - Department of Planning and Development | 16,717,738 | 82,732,706 | | | | 99,450,444 |
| Total - City Development | \$27,744,497 | \$147,021,508 | | | | \$174,766,005 |
| Regulatory | | | | | | |
| 003 - Office of Inspector General | \$9,580,826 | | | | \$3,455,640 | \$13,036,466 |
| 067 - Department of Buildings | 24,337,142 | 511,698 | | | 5,569,454 | 30,418,294 |
| 070 - Department of Business Affairs and Consumer Protection | 21,862,596 | 375,000 | | | | 22,237,596 |
| 072 - Office of Climate and Environmental Equity | 676,942 | | | | | 676,942 |
| 073 - Chicago Animal Care and Control | 7,025,418 | | | | | 7,025,418 |
| 077 - License Appeal Commission | 198,042 | | | | | 198,042 |
| 078 - Board of Ethics | 916,559 | | | | | 916,559 |
| Total - Regulatory | \$64,597,525 | \$886,698 | | | \$9,025,094 | \$74,509,317 |

Summary E
Distribution of Proposed Appropriations by Function and Organization Units - 2023 - Continued

| | Corporate Fund | Special Revenue Funds | Pension Funds | Debt Service Funds | Enterprise Funds | Totals |
|---|------------------------|------------------------|------------------------|----------------------|------------------------|-------------------------|
| Legislative and Elections | | | | | | |
| 015 - City Council | | | | | | |
| 1005 - City Council | \$29,138,279 | | | | | \$29,138,279 |
| 1010 - City Council Committees | 4,828,192 | 820,634 | | | | 5,648,826 |
| 1012 - Council Office of Financial Analysis | 317,680 | | | | | 317,680 |
| 2295 - Legislative Reference Bureau | 406,430 | | | | | 406,430 |
| Total - 015 - City Council | \$34,680,581 | \$820,634 | | | | \$35,511,215 |
| 039 - Board of Election Commissioners | 56,602,820 | | | | | 56,602,820 |
| Total - Legislative and Elections | \$91,293,401 | \$820,634 | | | | \$92,114,035 |
| General Financing Requirements | | | | | | |
| 099 - Pension Funds | | \$2,666,678,000 | | | | \$2,666,678,000 |
| 099 - Loss In Collection Of Taxes | | | | 12,900,103 | | 12,900,103 |
| 099 - Finance General | | | | | | |
| Employee Benefits | \$432,789,083 | \$42,451,095 | | | \$80,541,804 | \$555,781,982 |
| Workers' Compensation | 40,290,000 | 12,906,468 | | | 19,764,948 | 72,961,416 |
| Payment of Judgments | 47,360,000 | 11,800 | | | 7,195,633 | 54,567,433 |
| Debt Service | 414,975,260 | 2,200,000 | | 667,638,897 | 1,298,938,971 | 2,383,753,128 |
| Other Citywide Expenditures | 987,139,627 | 269,475,064 | | | 758,285,384 | 2,014,900,075 |
| Total - 099 - Finance General | \$1,922,553,970 | \$327,044,427 | | \$667,638,897 | \$2,164,726,740 | \$5,081,964,034 |
| Total - General Financing Requirements | \$1,922,553,970 | \$327,044,427 | \$2,666,678,000 | \$680,539,000 | \$2,164,726,740 | \$7,761,542,137 |
| Total - All Functions | \$5,436,295,000 | \$1,129,170,000 | \$2,666,678,000 | \$680,539,000 | \$3,428,352,000 | \$13,341,034,000 |
| Deduct Transfers between Funds | | | | | | 1,449,342,000 |
| Total - All Functions | | | | | | \$11,891,692,000 |
| Deduct Proceeds of Debt | | | | | | 114,582,000 |
| Net Total - All Functions | | | | | | \$11,777,110,000 |

0200 - Water Fund
003 - OFFICE OF INSPECTOR GENERAL

(003/1005/2005)

| Appropriations | | Amount |
|--|--|--------------------|
| 0000 Personnel Services | | |
| 0005 | Salaries and Wages - on Payroll | \$1,135,473 |
| 0015 | Schedule Salary Adjustments | 9,677 |
| 0000 Personnel Services - Total* | | \$1,145,150 |
| 0100 Contractual Services | | |
| 0130 | Postage | \$309 |
| 0140 | For Professional and Technical Services and Other Third Party Benefit Agreements | 1,268 |
| 0143 | Court Reporting | 9,808 |
| 0149 | For Software Maintenance and Licensing | 35,801 |
| 0157 | Rental of Equipment and Services | 7,307 |
| 0159 | Lease Purchase Agreements for Equipment and Machinery | 1,295 |
| 0162 | Repair/Maintenance of Equipment | 1,632 |
| 0166 | Dues, Subscriptions and Memberships | 2,390 |
| 0169 | Technical Meeting Costs | 20,868 |
| 0181 | Mobile Communication Services | 4,155 |
| 0189 | Telephone - Non-Centrex Billings | 7,596 |
| 0100 Contractual Services - Total* | | \$92,429 |
| 0200 Travel | | |
| 0245 | Reimbursement to Travelers | \$126 |
| 0270 | Local Transportation | 948 |
| 0200 Travel - Total* | | \$1,074 |
| 0300 Commodities and Materials | | |
| 0320 | Gasoline | \$386 |
| 0340 | Material and Supplies | 821 |
| 0348 | Books and Related Material | 288 |
| 0350 | Stationery and Office Supplies | 3,133 |
| 0300 Commodities and Materials - Total* | | \$4,628 |
| 0700 Contingencies | | 1,215 |
| Appropriation Total* | | \$1,244,496 |

Positions and Salaries

| Position | No | Rate |
|--|-----------|------------------|
| 3015 - Legal | | |
| 1368 Compliance Officer | 1 | \$75,852 |
| 1262 Assistant Inspector General | 1 | 113,724 |
| 1260 Chief Investigator - IG | 1 | 116,676 |
| 1215 Chief Assistant Inspector General | 1 | 127,608 |
| Schedule Salary Adjustments | | 1,074 |
| Section Position Total | 4 | \$434,934 |

0200 - Water Fund
003 - Office of Inspector General
Positions and Salaries - Continued

| Position | | No | Rate |
|--|--------------------------------------|-----------|--------------------|
| 3020 - Investigations | | | |
| 1222 | Investigator III - IG | 1 | \$89,076 |
| 1221 | Investigator II - IG | 1 | 81,552 |
| | Schedule Salary Adjustments | | 2,219 |
| Section Position Total | | 2 | \$172,847 |
| 3027 - Audit and Program Review | | | |
| 9659 | Deputy Inspector General | 1 | \$143,868 |
| 1125 | Performance Analyst | 1 | 81,552 |
| 1125 | Performance Analyst | 1 | 69,564 |
| | Schedule Salary Adjustments | | 5,089 |
| Section Position Total | | 3 | \$300,073 |
| 3045 - Information Technology and Analytics | | | |
| 1718 | Chief Forensic Data Analyst | 1 | \$119,028 |
| 06A4 | Data Services Administrator-Excluded | 1 | 75,996 |
| 0641 | Forensic Data Analyst | 1 | 101,580 |
| | Schedule Salary Adjustments | | 1,295 |
| Section Position Total | | 3 | \$297,899 |
| Position Total | | 12 | \$1,205,753 |
| Turnover | | | (60,603) |
| Position Net Total | | 12 | \$1,145,150 |

0200 - Water Fund
099 - FINANCE GENERAL

(099/1005/2005)

| Appropriations | | Amount |
|---|--|----------------------|
| 0000 Personnel Services | | |
| 0003 | Scheduled Wage Adjustments | \$1,300,000 |
| 0029 | For Health Maintenance Organization Premiums (HMO) Provided to Eligible Employees and Their Families | 6,082,659 |
| 0042 | For the Costs of Claims and Administration for Hospital and Medical Care Provided to Eligible Employees, Provided However, That All Payments to the Independent Utilization Reviewer Shall Be Subject to the Approval of the Chairman of the Committee on the Budget and Government Operations | 19,301,753 |
| 0045 | For the Cost of Claims and Administration or Premiums for Term Life Insurance | 203,666 |
| 0049 | Claims and Costs of Administration Pursuant to the Workers' Compensation Act | 12,709,200 |
| 0051 | Claims Under Unemployment Insurance Act | 483,710 |
| 0052 | Costs of Claims and Administration for Hospital and Medical Care to Eligible Annuitants and Their Eligible Dependents | 449,755 |
| 0056 | For the Cost of Claims and Administration or Premiums for a Co-Insured Dental Plan for Employees | 845,453 |
| 0070 | Tuition Reimbursement and Educational Programs | 40,000 |
| 0085 | City Deferred Compensation Contributions for Union Members | 234,372 |
| 0000 Personnel Services - Total* | | \$41,650,568 |
| 0100 Contractual Services | | |
| 0128 | Investigation Costs. To Be Expended at the Direction of the Comptroller | \$602,550 |
| 0130 | Postage | 247,754 |
| 0138 | For Professional Services for Information Technology Maintenance | 5,531,618 |
| 0139 | For Professional Services for Information Technology Development | 2,670,807 |
| 0140 | For Professional and Technical Services and Other Third Party Benefit Agreements | 6,977,846 |
| 0142 | Accounting and Auditing | 442,500 |
| 0149 | For Software Maintenance and Licensing | 25,025 |
| 0172 | For the Cost of Insurance Premiums and Expenses | 1,899,155 |
| 0100 Contractual Services - Total* | | \$18,397,255 |
| 0900 Financial Purposes as Specified | | |
| 0902 | For Interest on Bonds | \$92,282,794 |
| 0905 | For Payment to Metropolitan Sanitary District for Wastewater Services | 6,800,000 |
| 0912 | For Payment of Bonds | 85,780,000 |
| 0931 | For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel | 6,800,000 |
| 0934 | Claims for Damages and Liabilities Against the City When Ordered Paid by the City Council | 15,000 |
| 0943 | For Interest on Loans | 23,269,475 |
| 0944 | For Payment on Loans | 45,436,362 |
| 0958 | For Payment of Water Pipe Extension Certificates | 100,000 |
| 0959 | For Bond Fees and Costs | 47,100 |
| 0900 Financial Purposes as Specified - Total | | \$260,530,731 |
| 9000 Purposes as Specified | | |
| 9027 | For the City Contribution to Social Security Tax | \$40,166 |
| 9067 | For Physical Exams | 28,584 |
| 9076 | City's Contribution to Medicare Tax | 1,700,162 |
| 9097 | For Capital Construction | 87,247,747 |
| 9000 Purposes as Specified - Total | | \$89,016,659 |

0200 - Water Fund
099 - Finance General - Continued

| Appropriations | | Amount |
|---|--|----------------------|
| 9600 Transfers and Reimbursements | | |
| 9611 | To Reimburse the Corporate Fund for Indirect Costs Chargeable to Fund | \$70,964,000 |
| 9645 | To Reimburse the Corporate Fund for Indirect Pension Costs Chargeable to Fund | 23,694,000 |
| 9600 Transfers and Reimbursements - Total | | \$94,658,000 |
| 9700 Transfers and Reimbursements | | |
| 9765 | Transfer for Contractual Services | \$625,000 |
| 9773 | Transfer for Services Provided by the Department of Police | 1,470,301 |
| 9774 | Transfer for Services Provided by the Office of Emergency Management and Communication | 325,000 |
| 9700 Transfers and Reimbursements - Total | | \$2,420,301 |
| 9900 Pension Purposes as Specified | | |
| 9980 | Municipal Fund Pension Allocation | \$59,267,000 |
| 9981 | Laborers' Fund Pension Allocation | 19,889,000 |
| 9984 | Municipal Fund Advance Pension Payment | 10,851,000 |
| 9985 | Laborers' Fund Advance Pension Payment | 2,147,000 |
| 9900 Pension Purposes as Specified - Total | | \$92,154,000 |
| Appropriation Total* | | \$598,827,514 |

| | |
|-------------------|----------------------|
| Fund Total | \$933,864,000 |
|-------------------|----------------------|

| | | |
|--------------------------------|--------------|----------------------|
| Fund Position Total | 1,542 | \$195,502,702 |
| Turnover | | (9,608,744) |
| Fund Position Net Total | 1,542 | \$185,893,958 |

0314 - Sewer Fund
003 - OFFICE OF INSPECTOR GENERAL

(003/1005/2005)

| Appropriations | | Amount |
|--|--|------------------|
| 0000 Personnel Services | | |
| 0005 | Salaries and Wages - on Payroll | \$686,338 |
| 0015 | Schedule Salary Adjustments | 3,653 |
| 0000 Personnel Services - Total* | | \$689,991 |
| 0100 Contractual Services | | |
| 0130 | Postage | \$173 |
| 0140 | For Professional and Technical Services and Other Third Party Benefit Agreements | 1,269 |
| 0143 | Court Reporting | 9,808 |
| 0149 | For Software Maintenance and Licensing | 20,623 |
| 0157 | Rental of Equipment and Services | 5,813 |
| 0159 | Lease Purchase Agreements for Equipment and Machinery | 601 |
| 0162 | Repair/Maintenance of Equipment | 54 |
| 0166 | Dues, Subscriptions and Memberships | 1,337 |
| 0169 | Technical Meeting Costs | 12,173 |
| 0181 | Mobile Communication Services | 2,719 |
| 0189 | Telephone - Non-Centrex Billings | 3,321 |
| 0100 Contractual Services - Total* | | \$57,891 |
| 0200 Travel | | |
| 0245 | Reimbursement to Travelers | \$105 |
| 0270 | Local Transportation | 397 |
| 0200 Travel - Total* | | \$502 |
| 0300 Commodities and Materials | | |
| 0320 | Gasoline | \$386 |
| 0340 | Material and Supplies | 322 |
| 0348 | Books and Related Material | 173 |
| 0350 | Stationery and Office Supplies | 1,225 |
| 0300 Commodities and Materials - Total* | | \$2,106 |
| 0700 | Contingencies | 1,725 |
| Appropriation Total* | | \$752,215 |

Positions and Salaries

| Position | No | Rate |
|----------------------------------|-----------|------------------|
| 3015 - Legal | | |
| 1262 Assistant Inspector General | 2 | \$113,724 |
| Section Position Total | 2 | \$227,448 |
| 3020 - Investigations | | |
| 1260 Chief Investigator - IG | 2 | \$116,676 |
| 1219 Investigator I - IG | 1 | 63,012 |
| Schedule Salary Adjustments | | 1,560 |
| Section Position Total | 3 | \$297,924 |

0314 - Sewer Fund
003 - Office of Inspector General
Positions and Salaries - Continued

| Position | | No | Rate |
|--|-----------------------------|----------|------------------|
| 3027 - Audit and Program Review | | | |
| 1127 | Chief Performance Analyst | 1 | \$113,244 |
| 1126 | Senior Performance Analyst | 1 | 81,552 |
| | Schedule Salary Adjustments | | 2,093 |
| Section Position Total | | 2 | \$196,889 |
| Position Total | | 7 | \$722,261 |
| Turnover | | | (32,270) |
| Position Net Total | | 7 | \$689,991 |

0314 - Sewer Fund
099 - FINANCE GENERAL

(099/1005/2005)

| Appropriations | | Amount |
|---|--|----------------------|
| 0000 Personnel Services | | |
| 0003 | Scheduled Wage Adjustments | \$224,700 |
| 0029 | For Health Maintenance Organization Premiums (HMO) Provided to Eligible Employees and Their Families | 1,802,375 |
| 0042 | For the Costs of Claims and Administration for Hospital and Medical Care Provided to Eligible Employees, Provided However, That All Payments to the Independent Utilization Reviewer Shall Be Subject to the Approval of the Chairman of the Committee on the Budget and Government Operations | 5,719,373 |
| 0045 | For the Cost of Claims and Administration or Premiums for Term Life Insurance | 60,349 |
| 0049 | Claims and Costs of Administration Pursuant to the Workers' Compensation Act | 6,499,440 |
| 0051 | Claims Under Unemployment Insurance Act | 174,278 |
| 0052 | Costs of Claims and Administration for Hospital and Medical Care to Eligible Annuitants and Their Eligible Dependents | 133,269 |
| 0056 | For the Cost of Claims and Administration or Premiums for a Co-Insured Dental Plan for Employees | 250,519 |
| 0070 | Tuition Reimbursement and Educational Programs | 25,000 |
| 0085 | City Deferred Compensation Contributions for Union Members | 75,171 |
| 0000 Personnel Services - Total* | | \$14,964,474 |
| 0100 Contractual Services | | |
| 0128 | Investigation Costs. To Be Expended at the Direction of the Comptroller | \$103,000 |
| 0130 | Postage | 247,754 |
| 0138 | For Professional Services for Information Technology Maintenance | 2,117,714 |
| 0139 | For Professional Services for Information Technology Development | 2,183,734 |
| 0140 | For Professional and Technical Services and Other Third Party Benefit Agreements | 1,502,418 |
| 0142 | Accounting and Auditing | 150,000 |
| 0149 | For Software Maintenance and Licensing | 25,025 |
| 0166 | Dues, Subscriptions and Memberships | 75,000 |
| 0172 | For the Cost of Insurance Premiums and Expenses | 1,828,650 |
| 0100 Contractual Services - Total* | | \$8,233,295 |
| 0900 Financial Purposes as Specified | | |
| 0902 | For Interest on Bonds | \$83,450,302 |
| 0912 | For Payment of Bonds | 54,012,419 |
| 0931 | For the Payment of Tort and Non-Tort Judgments, Outside Counsel Expenses and Expert Costs, as Approved by the Corporation Counsel | 383,133 |
| 0934 | Claims for Damages and Liabilities Against the City When Ordered Paid by the City Council | 25,000 |
| 0943 | For Interest on Loans | 21,080,796 |
| 0944 | For Payment on Loans | 42,652,484 |
| 0959 | For Bond Fees and Costs | 40,900 |
| 0900 Financial Purposes as Specified - Total | | \$201,645,034 |
| 9000 Purposes as Specified | | |
| 9027 | For the City Contribution to Social Security Tax | \$14,134 |
| 9076 | City's Contribution to Medicare Tax | 598,267 |
| 9097 | For Capital Construction | 46,447,292 |
| 9000 Purposes as Specified - Total | | \$47,059,693 |
| 9100 Purposes as Specified | | |
| 9148 | To Provide for Senior Citizens - Rebate of Sewer Services When Senior Occupies Multi-Family Residency or Condominium | 350,000 |
| 9100 Purposes as Specified - Total | | \$350,000 |

0314 - Sewer Fund
099 - Finance General - Continued

| Appropriations | | Amount |
|---|--|----------------------|
| 9600 Transfers and Reimbursements | | |
| 9611 | To Reimburse the Corporate Fund for Indirect Costs Chargeable to Fund | \$37,213,000 |
| 9645 | To Reimburse the Corporate Fund for Indirect Pension Costs Chargeable to Fund | 14,577,000 |
| 9600 Transfers and Reimbursements - Total | | \$51,790,000 |
| 9700 Transfers and Reimbursements | | |
| 9774 | Transfer for Services Provided by the Office of Emergency Management and Communication | 120,000 |
| 9700 Transfers and Reimbursements - Total | | \$120,000 |
| 9900 Pension Purposes as Specified | | |
| 9980 | Municipal Fund Pension Allocation | \$15,133,000 |
| 9981 | Laborers' Fund Pension Allocation | 13,174,000 |
| 9984 | Municipal Fund Advance Pension Payment | 2,753,000 |
| 9985 | Laborers' Fund Advance Pension Payment | 1,423,000 |
| 9900 Pension Purposes as Specified - Total | | \$32,483,000 |
| Appropriation Total* | | \$356,645,496 |
| | | |
| Fund Total | | \$457,697,000 |

| | | |
|--------------------------------|------------|---------------------|
| Fund Position Total | 487 | \$65,493,214 |
| Turnover | | (3,166,068) |
| Fund Position Net Total | 487 | \$62,327,146 |