

**AN ORDINANCE RELATING TO UTILITY CUSTOMER DEPOSITS AND APPLICATIONS AND AMENDING THE VILLAGE OF CHATHAM CODE OF ORDINANCES**

WHEREAS, it has been a number of years since the Village has reviewed its customer deposit and nonsufficient funds checks requirements for water and electric service;

WHEREAS, the corporate authorities of the Village have reviewed the Village's utility customer account loss history and hereby find that approximately 80% of losses occur in the case of residential rental property, where the customer deposits are insufficient to cover the losses and the renters have skipped;

WHEREAS, the corporate authorities therefore find that it is reasonable to treat customer deposits differently in the cases of rental and owner-occupied residential property; unless the landlord has guaranteed the account.

*NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:*

**SECTION 1:** Section 52.004 of the Village Code of Ordinances, relating to applications for electric service, is amended as follows (amended language ~~stricken through~~, new language underlined):

**52.004 APPLICATION DEPOSIT.**

(A) All applications for service shall be accompanied by a deposit as hereinafter set forth.

(1) An application for residential service shall be accompanied by a deposit of \$75 \$100.00, if the applicant is the owner of the property or if the applicant is a lessee of the property and the payment of bills is guaranteed by the owner thereof. The application shall be accompanied by a deposit of \$200.00 if the applicant is the lessee of residential property and payment of bills is not

guaranteed by the owner. The form, contents and adequacy of any such guaranty shall be determined by the Village in its sole discretion.

(2) An application for nonresidential service shall be accompanied by a deposit ~~in the estimated amount of one month's bill.~~ in the amount of \$200.00.

(3) The deposit required by this section may be refunded or credited to a current bill of a customer at the end of eighteen months from the date of application of the person making the deposit; provided, that no such refund or credit shall be made unless all charges made to the account of that application have been paid on or before the date such charges became due. No interest shall be paid on any deposit, credit, or refund.

(B) The village may require an additional deposit of two times the largest bill incurred over the previous 12-month period if a customer has failed to pay such lawful charges as may be due the village for electrical service on or before the due date for such charges three or more times during that previous 12-month period; or if the deposit of such customer has been forfeited under the provisions of this chapter because of delinquent payments. Any such deposit may be refunded or credited to a current bill at the end of one year from the date such deposit was received by the village is all charges made to the account of the customer have been paid on or before the date such charges became due. No interest shall be paid on any such deposit, credit or refund.

(C) If any charge for electric service or any penalties are deemed delinquent under the provisions of this chapter, the deposit made hereunder shall be forfeited to the village and applied to the payment of such delinquent charges.

**SECTION 2:** Section 51.011 of the Village Code of Ordinances, relating to applications for water and sewer service, is amended as follows (amended language ~~stricken through~~, new language underlined):

#### **51.011 APPLICATION DEPOSIT.**

~~No water shall be turned on for use on or in any premises, until an application therefor in writing has been made for that purpose and filed with the Superintendent of the Water Department, stating the purpose for which the water is to be used.~~

(A) All applications for water and sewer service shall be accompanied by a deposit as hereinafter set forth.

(1) An application for residential service shall be accompanied by a deposit of \$50.00, if the applicant is the owner of the property or if the applicant is a lessee of the property but the payment of bills is guaranteed by the owner. The application shall be accompanied by a deposit of \$100.00 if the applicant is the lessee of residential property and payment of bills is not guaranteed by the lessor. The form, contents and adequacy of any such guaranty shall be determined by the Village in its sole discretion.

(2) An application for nonresidential service shall be accompanied by a deposit in amount of \$100.00.

(3) The deposit required by this section may be refunded or credited to a current bill of a customer at the end of eighteen months from the date of application of the person making the deposit; provided, that no such refund or credit shall be made unless all charges made to the account of that application have been paid on or before the date such charges became due. No interest shall be paid on any deposit, credit, or refund.

(B) The village may require an additional deposit of two times the largest bill incurred over the previous 12-month period if a customer has failed to pay such lawful charges as may be due the village for water/sewer service on or before the due date for such charges three or more times during the previous 12-month period; or if the deposit of such customer has been forfeited under the provisions of this chapter because of delinquent payments. Any such deposit may be refunded or credited to a current bill at the end of eighteen months from the date such deposit was received by the village if all charges made to the account of the customer have been paid on or before the date such charges became due. No interest shall be paid on any such deposit, credit or refund.

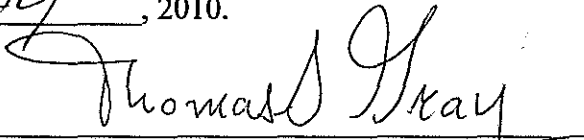
(C) If any charge for water/sewer service or any penalties are deemed delinquent under the provisions of this chapter, the deposit made hereunder shall be forfeited to the village and applied to the payment of such delinquent charges.

**SECTION 3:** Section 52.086(A) of the Village Code of Ordinances, relating to dishonors of checks for payment of utility charges, is amended as follows (amended language ~~stricken through~~, new language underlined):

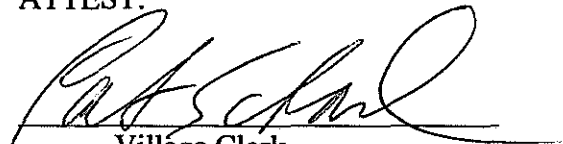
(A) Whenever a check payable to the village is tendered to the village for payment of electricity, water, or sewer utility charges and is dishonored by a financial institution upon which it is drawn because of insufficient funds in the account against which it was drawn, or any other lawful reason, a processing charge of ~~\$10~~ \$25.00 shall be imposed by the village and added to the delinquent utility account, and thereon be due and payable as any other utility delinquency.

**SECTION 4:** This Ordinance shall take effect with respect to deposits for utility service received on or after June 1, 2010. The Clerk shall publish this Ordinance in pamphlet form and shall see to its inclusion in the next update of the Village Code of Ordinances.

PASSED this 11 day of MAY, 2010.

  
VILLAGE PRESIDENT

ATTEST:

  
Village Clerk

SEHATTEMAN  
AYES: 6 HERR MAU BOYLE REYNOLDS KAVANAGH  
NAYS: 0  
PASSED: 5-11-10  
APPROVED: 5-11-10  
ABSENT: 0



**ORDINANCE CERTIFICATE**

STATE OF ILLINOIS                    )  
  ) SS  
COUNTY OF SANGAMON )

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois.

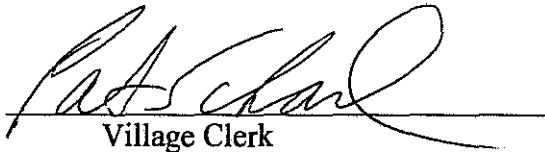
I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 10- 27, adopted by the President and Board of Trustees of said Village on the 11 day of MAY, 2010, said Ordinance being entitled:

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I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Village, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Village this 11 day of MAY, 2010.



  
Village Clerk