

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: August 25, 2026

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Amy Zukowski, Director of Finance

Topic: Ordinance – Temporarily Suspending Water Bill Penalties

PURPOSE

Due to the unprecedented number of severe storms that have occurred over the last several weeks, staff is requesting that the Board pass an ordinance waiving the ten percent (10%) penalty for all *current* water charges that are unpaid as of August 21, 2026. Staff recognizes that many residents and business owners experienced unexpected challenges, disruptions, and expenses during this difficult time.

PROCESS

Late Payment Penalty (Municipal Code Section 42-223)

Water bills are due on the 20th of each month. Bills not paid by the due date are subject to a 10% penalty on the *current* charges.

The Finance Director, or a designee, may waive this penalty if both of the following conditions are met:

- The account has a 24-month history of on-time payments, and
- The Village has not yet posted a shutoff notice at the service address.

A waiver is granted only upon request from the party responsible for the account and requires payment in full of the past due balance.

Per the Municipal Code, each customer account is limited to two penalty waivers over the life of the account.

Shutoff Notice Process (Municipal Code Section 42-225)

Section 42-225 outlines the process for discontinuing water service due to non-payment.

After the 20th of each month, the Village sends shutoff notices to all customers with a past due balance. On average, approximately 700 notices are mailed each month. The shutoff notice serves as the customer's final warning before water service is interrupted. Customers have until the first Tuesday after the 10th of the following month to pay their past-due balance in full. If the payment isn't received by that date, a \$75 shut off fee (penalty) is added, as provided on the

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Village's fee schedule, and coordinates with the Public Works Department to shut off service. Once service is shut off, reinstatement will occur no later than the next business day after payment is received.

August Water Bills and Storm Impact Considerations

August water bills due on August 20, 2026 were for water used during the period of June 2 through July 2, 2026.

Relief to Customers with Payment Arrearages

To provide some post storm relief to a portion of our water customers, the Village suspended water service disconnections for delinquent accounts during the week of August 10, and is requesting that the Village Board waive the 10% late payment penalty on past-due water bills for the month of August. The intention of these measures is to provide a specific group of customers additional time to focus on immediate recovery needs.

As the local water provider, the Village must continue to pay for the water supplied to the community. Homewood purchases its water through Chicago Heights and is responsible for monthly payments averaging approximately \$346,000, regardless of whether individual customer accounts are current. These payments allow us to maintain a safe, reliable water system and ensure uninterrupted service to all residents.

With that said, the shutoff notice process will continue as normal. Accounts with past due balances will need to make the appropriate payments by Monday, September 14 to avoid an interruption in their water service.

OUTCOME

Approval of the supporting ordinance will allow the Village to provide financial relief to certain water customers as the community continues to recover from the impact of the recent severe weather events.

FINANCIAL IMPACT

- **Funding Source:** N/A
- **Budgeted Amount:** N/A
- **Cost:** N/A

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Pass an ordinance suspending the imposition of the ten percent (10%) penalty for all *current* water charges that are unpaid as of August 21, 2026, in order to provide financial relief to water and sewer customers due to the recent severe weather events.

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ATTACHMENT(S)

Ordinance