

**ANNUAL MEETING  
OF THE  
GLENBARD WASTEWATER AUTHORITY**

**Agenda**

**November 12, 2018  
Meeting 6:15 pm  
Clayton Room  
Village of Civic Center  
535 Duane Street  
Glen Ellyn, Illinois**

- 1.0 Call to Order
- 2.0 Pledge of Allegiance
- 3.0 Roll Call
- 4.0 Introduction of Board Members and the GWA Team
- 5.0 Public Comment
- 6.0 Consent Agenda

*Motion to Approve the Minutes from the November 15, 2018 Annual Meeting of the Glenbard Wastewater Authority Board.*

- 7.0 Annual Financial Reports FY2018 (Lauterbach & Amen, LLP)

Jamie Wilkey, a Partner in the firm of Lauterbach & Amen, LLP will briefly review the financial status of the Authority for the CY2018 period ending December 31, 2018. Usual areas for review are: fund equity, receivables, payables, liabilities, service fee, maintenance, cash flow and flow splits.

*Motion to Accept the FY2018 Annual Financial Reports as presented by Christina Coyle and Jamie Wilkey, Lauterbach and Amen, LLP.*

- 8.0 Comments by GWA Full Board Chairperson – Diane McGinley, Village of Glen Ellyn
- 9.0 Executive Director, Matt Streicher, will summarize significant events from CY2019 and present information on goals and projects that are planned for CY2020.
- 10.0 Proposed CY2020 Budget

- Operations and Maintenance - \$4,602,094
- Capital Plan – \$9,933,165

*Motion to Approve the CY2020 Glenbard Wastewater Authority Budget in the amount of \$14,535,528.*

- 11.0 Other Business
- 12.0 Adjournment

# **SECTION 6.0**

## **CONSENT AGENDA – APPROVE MINUTES FROM NOVEMBER 15, 2018 MEETING**

# Village of Lombard

*Village Hall  
255 East Wilson Ave.  
Lombard, IL 60148  
villageoflombard.org*



## Minutes

**Thursday, November 15, 2018**

**6:00 PM**

**Lorraine G. Gerhardt Community Room**

### **Glenbard Wastewater Authority**

*Village President Keith Giagnorio, Trustee Dan Whittington, Trustee Mike Fugiel,  
Trustee Reid Foltyniewicz, Trustee Bill Johnston, Trustee Robyn Pike, Trustee Bill  
Ware and Village Clerk Sharon Kuderna*

*Glen Ellyn Village President Diane McGinley, Trustee Bill Enright, Trustee Gary  
Fasules, Trustee John Kenwood, Trustee Peter Ladesic, Trustee Craig Pryde, Trustee  
Mark Senak and Village Clerk John Chereskin*

## 1.0 Call to Order

The meeting of the Glenbard Wastewater Authority comprised of the Village Board of the Village of Glen Ellyn and the Village Board of the Village of Lombard was called to order by Lombard Village President Keith Giagnorio at 6:00 p.m Thursday, November 15, 2018 in the Community Room of the Lombard Village Hall.

## 2.0 Roll Call

**Present** 13 - Keith Giagnorio, Sharon Kuderna, Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, Bill Ware, Diane McGinley, Peter F. Ladesic, Mark Senak, Bill Enright, and Gary Fasules

**Absent** 3 - John Chereskin, John Kenwood, and Craig Pryde

Staff Present:

Village of Lombard:

Village Manager Scott Niehaus

Director of Finance Tim Sexton

Director of Public Works Carl Goldsmith

Executive Coordinator Carol Bauer

Village of Glen Ellyn:

Village Manager Mark Franz

Director of Finance Christina Coyle

Director of Public Works Julius Hansen

## 3.0 Pledge of Allegiance

Lombard Director of Public Works Carl Goldsmith led the Pledge of Allegiance.

## 4.0 Introduction of Board Members and the GWA Team

Village of Lombard, Village of Glen Ellyn and Glenbard Wastewater staff were introduced.

## 5.0 Public Comment

## 6.0 Consent Agenda

## **Motion to Approve the Minutes from the November 28, 2017 Annual Meeting of the Glenbard Wastewater Authority Board**

**A motion was made by Trustee Bill Johnston, seconded by Trustee Mark Senak, that the minutes of the November 28, 2017 Glenbard Wastewater Meeting be approved. The motion carried by the following vote:**

**Aye:** 10 - Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, Bill Ware, Peter F. Ladesic, Mark Senak, Bill Enright, and Gary Fasules

**Absent:** 3 - John Chereskin, John Kenwood, and Craig Pryde

## **7.0 Annual Financial Reports FY2017 (Lauterbach & Amen, LLP)**

Glen Ellyn Director of Finance Christine Coyle provided an overview of the Glenbard Wastewater Authority financial report for the FY 2017 year ending December 31, 2017 highlighting the 2017 audited Financial Statements, operating fund surplus, and other communications. Jamie Wilkey, Auditor with Lauterbach & Amen, LLP, reviewed the financial status of the Authority including fund equity, receivables, payables, liabilities, service fee, maintenance, cash flow and flow splits. There are no auditor proposed changes. She noted the audit was a clean audit and was ranked at the highest level of accuracy.

**A motion was made by Trustee Peter F. Ladesic, seconded by Trustee Bill Ware, that this report be approved. The motion carried by the following vote:**

**Aye:** 10 - Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, Bill Ware, Peter F. Ladesic, Mark Senak, Bill Enright, and Gary Fasules

**Absent:** 3 - John Chereskin, John Kenwood, and Craig Pryde

**Jamie Wilkey, a Partner in the firm of Lauterbach & Amen, LLP, will briefly review the financial status of the Authority for the FY 2017 period ending December 31, 2017. Usual areas for review are: fund equity, receivables, payables, liabilities, service fee, maintenance, cash flow and flow splits.**

**Motion to Accept the FY2017 Annual Financial Reports as presented by Christina Coyle and Jamie Wilkey, Lauterbach and Amen, LLP**

## **8.0 Comments by GWA Full Board Chairperson - Keith Giagnorio, Village of Lombard**

President Keith Giagnorio thanked Matt Streicher and the Glenbard

Wastewater staff for a great job and congratulated them on the smooth operation of the plant. He thanked the Glen Ellyn Village Board and staff for working so cooperatively with the Lombard Board and staff.

## **9.0 Executive Director Matt Streicher will summarize significant events from CY 2018 and present information on goals and projects that are planned for CY2019**

Glenbard Wastewater Executive Director Matt Streicher provided a Power Point relative to plant operations as follows:

Talking Points: Executive Oversight Committee member introductions, background and update, Operations & Maintenance Fund, Capital Fund, Budget summary and action request;

Executive Oversight Committee Representative: Glen Ellyn President Diane McGinley, Trustee Bill Enright, Manager Mark Franz and Public Works Director Julius Hansen; Lombard Village President Keith Giagnorio, Trustee Mike Fugiel, Manager Scott Niehaus, and Public Works Director Carl Goldsmith. He thanked the Executive Oversight Committee for their time.

2018 Key Performance Indicators:

3,400,000,000 (3.4 billion) gallons treated through September 2018;  
31.7 inches total rainfall through September 2018; main plant - no permit excursions (no excursions since April 4, 2013); combined Sewer Outfall Facility - one excursion (during April 15 wet weather event); no lost time injuries since 2013; 70 odor complaints through October 2018 (2017 - 172 odor complaints through October 2018).

Facility Improvements Project:

Project Bid opening - \$16.75 million (March 2016) - raw pump and tertiary improvements; natural gas and non-potable water infrastructure upgrades;

Forecasted benefits - aging pumps and technology (low efficiency); reduce wet weather recirculated flow by an estimated 10 million gallons per flow event (energy savings); new HVAC (energy savings);

Project Change Orders: \$391,700; \$182,726.34; \$1,450,000; \$194,259.19; \$6,425.98.

Current Project Cost - \$17,801,258.83.

Partner Allocations Operation & Maintenance:

Glen Ellyn: CY2017 \$1,893,508.88; CY2018 \$1,949,754.80; CY2019 \$1,892,192.00;

Lombard: CY2017 \$2,291,041.13; CY2018 \$2,436,645.20; CY2019 \$2,553,748.00;

Total: CY2017 \$4,184,550.00; CY2018 \$4,386,400.00; CY2019 \$4,445,940.00.

Lombard Trustee Reid Foltyniewicz arrived at 6:17 p.m.

Reviewed Partner Allocations O&M; O&M expense tracking; Operation &

Maintenance Flow Drives Partner Allocations; Flow Billing Comparison; Flow Split; Capital Fund 40 Contributions; Capital Fund 40 Contribution Flow Splits; Top CY 2018 Capital Projects; Proposed Partner Allocations.

Action this evening is to request the Board of Directors of the Glenbard Wastewater Authority to approve the proposed CY2018 budget in the amount of \$13,468,941.

Questions relative to complaints from neighbor regarding odors emanating from the plant. Neighbors are still sensitive to odors. Standard Operating Procedures (SOP) developed.

It was noted the proposed partner allocations are 1.1% over last year's budget.

## 10. Proposed CY2019 Budget

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**Operations and Maintenance - \$4,445,941**

**Capital Plan - \$9,023,000**

**Motion to Approve the CY2019 Glenbard Wastewater Authority Budget in the amount of \$13,468,941**

A motion was made by Trustee Robyn Pike, seconded by Trustee Gary Fasules, that the CY 2018 budget for the Glenbard Wastewater Authority in the amount of \$13,468,941 be approved. The motion carried by the following vote:

**Aye:** 10 - Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, Bill Ware, Peter F. Ladesic, Mark Senak, Bill Enright, and Gary Fasules

**Absent:** 2 - John Kenwood, and Craig Pryde

## 11.0 Other Business

## 12.0 Adjournment

A motion was made by Trustee Bill Johnston, seconded by Trustee Bill Enright, that the annual meeting of the Village of Glen Ellyn Board of Trustees and the

**Village of Lombard Board of Trustees known as the Glenbard Wastewater Authority held on Thursday, November 15, 2018 in the Community Room of the Lombard Village Hall be adjourned at 6:32 p.m. The motion carried by the following vote:**

**Aye:** 10 - Dan Whittington, Mike Fugiel, Reid Foltyniewicz, Bill Johnston, Robyn Pike, Bill Ware, Peter F. Ladesic, Mark Senak, Bill Enright, and Gary Fasules

**Absent:** 3 - John Chereskin, John Kenwood, and Craig Pryde



# **SECTION 7.0**

# **ANNUAL FINANCIAL REPORTS**

**FISCAL YEAR 2018  
(LAUTERBACH & AMEN,  
LLP)**

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## MEMORANDUM

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**TO:** Executive Oversight Committee  
**FROM:** Christina Coyle, Finance Director  
**DATE:** July 1, 2019  
**RE:** 2018 Audited Financial Statements

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### 2018 Audited Financial Statements

Attached is the Annual Audited Financial Statements for the Glenbard Wastewater Authority for the fiscal year that ended December 31, 2018.

Financial highlights for the Authority's fiscal year 2018 (FY2018) are presented on pages 10-11 of the report. A complete narrative summary of the Authority's operations and financial position is found in Management's Discussion and Analysis on pages 9-17. I will present highlights of the financial report during the EOC meeting and our audit partner, Jamie Wilkey, will present the auditor's opinion.

The Authority again received an unmodified audit opinion from the auditing firm, Lauterbach & Amen LLP, which is the highest and best opinion.

### Operating Fund Surplus

The Operating Fund Surplus, before the long term pension adjustment, was \$449,410. We annually adjust the partners' contributions to match expenses. Using this measure, the Village of Lombard is owed \$267,237 and Glen Ellyn is owed \$182,173 for the fiscal year ended December 31, 2018.

As of December 31, 2018, the Authority's working cash was 39.1% of operating expenses, or \$558,547 above minimum 25% as set in the current intergovernmental agreement. A complete schedule detailing the working cash calculation may be found in the notes to the financial statements (page 35-36). As the amount of working cash over the minimum requirement is greater than the operating surplus for the year, we are able to distribute the entire FY2018 surplus amount.

The operating surplus may be either rebated back to each community or may be distributed to the Capital Fund. In the past, the operating surplus has been distributed to the Capital Fund and has been used for either specific projects or to offset future Capital Fund rate increases to both Villages.

### Other Communications

There are two other communications that are included as attachments to this memo.

**Single Audit Report:** As the IEPA loan in fiscal year 2018 involved disbursements of federal funds through the State of Illinois, the Authority was required to have a single audit for 2018. Attached is a copy of the single audit report. There were no findings issued.

**SAS114 Letter:** This letter is a required communication between the auditors and those charged with governance. It highlights certain areas that auditors are required to disclose each year to those charged with governance.

Management Letter: This letter only highlights forthcoming accounting standards for the coming year. There are no internal control matters reported in the letter.

Proposed Action Items:

Motion to accept the Audited Financial Statements of the Glenbard Wastewater Authority for the fiscal year ended December 31, 2018 and to forward the audit report to the full Authority Board for final approval at the next annual meeting.

Motion to distribute the operating surplus of \$449,410 in a manner determined by the Executive Oversight Committee.

**GLENBARD WASTEWATER AUTHORITY  
GLEN ELLYN, ILLINOIS**

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**MANAGEMENT LETTER**

**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2018**



June 7, 2019

The Honorable Chairman  
Members of the Board of Directors  
Glenbard Wastewater Authority  
Glen Ellyn, Illinois

In planning and performing our audit of the financial statements of the Glenbard Wastewater Authority (Authority), for the fiscal year ended December 31, 2018, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Members of the Board of Directors, management, and others within the Glenbard Wastewater Authority.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Authority personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Authority staff.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## PRIOR RECOMMENDATION

### 1. GASB STATEMENT NO. 74 FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFIT PLANS OTHER THAN PENSION PLANS AND GASB STATEMENT NO. 75 ACCOUNTING AND FINANCIAL REPORTING FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

#### Comment

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, *Financial Reporting for Post-Employment Benefits Plans Other Than Pension Plans*, which applies to individual postemployment benefit plans, and Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which applies to the state and local government employers that sponsor the plans. The Statements apply to the reporting of other post-employment benefits, including medical, dental, life, vision and other insurance coverages provided by the employer post-employment. The Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the other post-employment benefit plans, and specifically identify the methods and assumptions that are to be used in calculating and disclosing these OPEB accounts in the financial statements. The Statements also provide for additional note disclosures and required supplementary information and are intended to improve information provided by state and local government employers regarding financial support to their OPEB plans. GASB Statement No. 75 applies to the employer's reporting of other post-employment benefit plans and is applicable to the Glenbard Wastewater Authority's financial statements for the year ended December 31, 2018.

#### Recommendation

We recommended that the Glenbard Wastewater Authority reach out to the private pension actuary engaged to provide the OPEB actuarial calculations in order to confirm the timeline for implementation and to review requested materials that will be required in order to implement the provisions and requirements of the new Statements. Lauterbach & Amen, LLP will also work directly with the Glenbard Wastewater Authority to assist in the implementation process, including assistance in determining the implementation timeline with the Glenbard Wastewater Authority and private actuary, providing all framework for the financial statements in order to complete the implementation, and assist in answering any questions or concerns the Glenbard Wastewater Authority might have related to the implementation process or requirements.

#### Status

This comment has been implemented and will not be repeated in the future.

**GLENBARD WASTEWATER AUTHORITY  
GLEN ELLYN, ILLINOIS**

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**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2018**



**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

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**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

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## **FINANCIAL SECTION**

# **INDEPENDENT AUDITORS' REPORT**



## **INDEPENDENT AUDITORS' REPORT**

June 7, 2019

The Honorable Chairman  
Members of the Board of Directors  
Glenbard Wastewater Authority  
Glen Ellyn, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Glenbard Wastewater Authority, Illinois, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Glenbard Wastewater Authority, Illinois, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glenbard Wastewater Authority, Illinois' basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Matters – Continued**

*Other Information – Continued*

The Schedule of Comparative Flows and the Schedule of Allocation of Costs have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Prior-Year Comparative Information*

We have previously audited Glenbard Wastewater Authority’s 2017 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated April 18, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2019, on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# GLENBARD WASTEWATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

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This discussion and analysis of the Glenbard Wastewater Authority (the "Authority") is designed to provide the reader an objective and easily readable analysis of the Authority's financial activities for the fiscal year 2018 which began on January 1, 2018 and concluded on December 31, 2018. Also highlighted in this analysis are significant financial transactions and issues, comparisons to prior year activities, any relevant trend information, and changes in the Authority's financial position.

This discussion and analysis is an integral part of the Authority's financial statements and should be read in conjunction with the financial statements, which begin on page 13.

### **Background and Overview of the Financial Statements**

The Authority was established by an intergovernmental agreement dated November 28, 1977 between the neighboring Villages of Lombard and Glen Ellyn, Illinois for the purpose of jointly treating and processing wastewater. Prior to creation of the Authority, wastewater processing was decentralized. The Authority processes wastewater for the Villages of Lombard and Glen Ellyn as well as certain other areas in DuPage County.

The four principal components of the Authority are the Glenbard Plant, the Lombard Combined Sewerage Treatment Facility (LCSTF) facility, the North Regional Interceptor (NRI) and the South Regional Interceptor (SRI). The original construction cost of these facilities was approximately \$43 million, with \$32 million contributed by a grant from the United States Environmental Protection Agency (USEPA) and the remaining \$11 million contributed by Lombard and Glen Ellyn.

The Board of Directors of the Authority consists of the Village President and six Trustees from each of the Villages of Lombard and Glen Ellyn. The Executive Oversight Committee (EOC) is responsible for overseeing the operational aspects of the Authority's activities and is composed of both Village Presidents, both Village Managers, one Trustee representative from each Village Board and one staff member, traditionally the Public Works Director, of each Village. The Committee meets monthly and reviews operational and staff reports, approves Authority expenditures, awards various contracts for services, reviews the financial statements, reviews and recommends an annual budget to the full Authority Board and performs other functions as defined in the intergovernmental agreement.

The Village of Glen Ellyn is identified by the intergovernmental agreement as the "operating" or lead agency of the Authority. In its capacity as lead agency, Glen Ellyn performs operational supervision, accounting, personnel and administrative services for the Authority on a contractual basis.

The Authority's accounting and financial transactions are recorded in two separate funds – the Operating Fund and the Equipment Replacement Fund.

The Operating Fund pays for the day-to-day operating costs of the Glenbard Plant, LCSTF, NRI and SRI and includes costs such as staff salaries and benefits, contractual services, sludge removal, utilities, insurance and related expenses. Operating costs are allocated between the Lombard and Glen Ellyn partners based on a five year rolling average of the percentage of wastewater flow contributed by each community.

# GLENBARD WASTEWATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

Each Village contributes a monthly amount to the Authority based on the adopted Operating Fund budget for the year. These contributions are adjusted two times per fiscal year based on actual wastewater flow share between the parties. Also, an adjustment is made after the conclusion of the fiscal year so that total year-end operating revenues are equivalent to total year-end operating expenses, excluding the adjustment for the IMRF pension obligation.

The Equipment Replacement Fund was established to accumulate funds for the repair and replacement of plant components as needed and was a required element for the initial grant assistance received from the Federal EPA. The two partners contribute a budgeted amount to the Equipment Replacement Fund each year based the wastewater flow split percentage of the Glenbard Plant and associated infrastructure.

### Financial Highlights

1. The Authority's overall cash position at December 31, 2018 increased by \$1.77 million or by 33% compared to balances at the close of the prior fiscal year. The Operating Fund experienced an increase in cash balance of \$353,801, while the Equipment Replacement Fund's cash balance increased by \$1.42 million. The Equipment Replacement Fund received loan proceeds from an Illinois Environmental Protection Agency (IEPA) loan in the amount of \$4.6 million and has incurred capital costs of \$5.2 million. The main project undertaken is the Facility Improvement Project (FIP), which entails a series of updates to the facility. See page 44 for detailed cash flow information.
2. Total Operating Fund expenses for fiscal year 2018 were \$3,820,991, a decrease of \$286,995 or 7.0% compared to the previous fiscal year. For additional information concerning changes in operating costs compared to the prior fiscal year, see page 11 of this Management's Discussion and Analysis.
3. Total Operating Fund expenses were under the approved budget of \$4,386,400 by \$565,409 or 12.9%. Savings were seen in most categories. The largest savings was on maintenance costs (under budget by \$226,226). Additional budget comparison information is located on pages 45-48.
4. Amounts due from/(to) each of the Villages as of December 31, 2018, include following components:

	Village of Lombard	Village of Glen Ellyn	Total
Amounts Due from (to) Villages			
Billing Adjustment for the Fiscal Year Ended on December 31, 2018	\$ (267,237)	(182,173)	(449,410)
Billing Adjustment - July 2018 to December 2018	111,708	(111,708)	-
Cumulative Balance Due from (to) Villages	(155,529)	(293,881)	(449,410)

**GLENBARD WASTEWATER AUTHORITY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

December 31, 2018

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5. The percentage of wastewater flow contributed by each of the partners to the Glenbard Plant for 2018 compared to the previous three years is shown below:

	FY 2016	FY 2017	FY 2018
Lombard	55.61%	57.35%	58.79%
Glen Ellyn	44.39%	42.65%	41.21%

A history of annual flow data is presented on page 50.

6. The Authority has a minimum working cash policy for its Operating Fund equal to 25% of operating expenses (see Note 3 on page 28-29). The Authority’s net working cash balance of \$1,546,956 as of December 31, 2018 is equivalent to a 39.1% reserve level, above the minimum 25% level by \$558,547.
7. The Authority invested significantly in capital projects during 2018. The Authority continued the Facility Improvement Project (FIP) in 2018. This project includes improvements to the raw sewage pump building, improvements and modifications to the filter building, modification of the non-potable water system, improvements to the natural gas system serving the treatment facility and improvements to the final clarifiers. As of December 31, 2018, \$14.9 million had been expended on this project.

**Authority’s Financial Analysis**

***Net Position***

The Statement of Net Position includes all of the Authority’s assets/deferred outflows and liabilities/deferred inflows and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Authority.

A summary of the Authority’s Statement of Net Position is presented on the next page.

# GLENBARD WASTEWATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

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	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Current and Other Assets	\$ 2,848,307	\$ 6,258,960	\$ 8,015,153
Deferred Outflows	400,244	239,180	704,968
Capital Assets	<u>38,913,771</u>	<u>46,255,289</u>	<u>48,911,990</u>
Total Assets & Deferred Outflows	<u>42,162,322</u>	<u>52,753,429</u>	<u>57,632,111</u>
Long Term Debt	4,331,782	11,452,569	16,332,685
Other Liabilities	1,854,562	3,063,643	2,935,222
Deferred Inflows	<u>51,668</u>	<u>925,256</u>	<u>125,366</u>
Total Liabilities & Deferred Inflows	<u>6,238,012</u>	<u>15,441,468</u>	<u>19,393,273</u>
Net Investment in Capital Assets	34,063,033	34,374,524	32,962,382
Restricted	<u>1,861,277</u>	<u>2,937,437</u>	<u>5,276,456</u>
Total Net Position	<u>\$35,924,310</u>	<u>\$37,311,961</u>	<u>\$38,238,838</u>

The total net position of the Authority increased \$926,877 to \$38,238,838, an increase of 2.5% from the prior fiscal year, due to the contribution by the Villages of the previous year operating surplus to the Equipment Replacement Fund as well as other revenue streams such as connection fees, FOG (fats, oils, and grease) revenue and leachate revenue.

For more detailed information, see the Statement of Net Position beginning on page 13.

# GLENBARD WASTEWATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

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### *Activities*

The Statement of Revenues, Expenses and Changes in Net position provides an indication of the Authority's financial health. A summary of the Authority's Statement of Revenues, Expenses and Changes in Net Position is presented below.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Operating Revenues	\$ 7,455,808	\$ 7,421,656	\$ 7,431,990
Non-Operating Revenues	<u>868,299</u>	<u>1,286,271</u>	<u>593,123</u>
Total Revenues	<u>8,324,107</u>	<u>8,707,927</u>	<u>8,025,113</u>
Depreciation Expense	2,624,572	2,549,513	2,495,940
Other Operating Expenses	4,649,616	4,658,182	4,460,155
Non-Operating Expenses	<u>125,449</u>	<u>112,581</u>	<u>142,141</u>
Total Expenses	<u>7,399,637</u>	<u>7,320,276</u>	<u>7,098,236</u>
Changes in Net Position	924,470	1,387,651	926,877
Net Position – Beginning of Year	<u>34,999,840</u>	<u>35,924,310</u>	<u>37,311,961</u>
Net Position – End of Year	<u>\$35,924,310</u>	<u>\$37,311,961</u>	<u>\$38,238,838</u>

For more detailed information, see the Statement of Revenues, Expenses and Changes in Net Position on page 15.

### *Revenues*

#### Operating Fund Revenues

Operating Fund operating revenues consist of contributions made by the Villages of Lombard and Glen Ellyn. These contributions are initially based on the adopted Operating Fund budget for the year and are adjusted so that total year-end operating revenues are equivalent to total year-end operating expenses, excluding depreciation expense and IMRF GASB 68 pension adjustment. Amounts that are contributed by the partners in excess of total year-end operating expenses are distributed based on each partner's five-year rolling average wastewater flow and are recorded in the Statement of Net Position as liabilities payable to the respective Villages.

**GLENBARD WASTEWATER AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

December 31, 2018

A comparison of Operating Fund operating revenues from charges to the Villages for the fiscal year ended December 31, 2018 compared to the previous two years is shown in the table below.

<u>Partner</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>\$ Change from 2017 to 2018</u>	<u>% Change from 2017 to 2018</u>
Village of Lombard	\$2,294,324	\$2,306,219	\$2,311,758	\$ 5,539	0.24%
Village of Glen Ellyn	1,831,484	1,715,437	1,620,232	(95,205)	-5.55%
<b>Total</b>	<b>\$4,125,808</b>	<b>\$4,021,656</b>	<b>\$3,931,990</b>	<b>\$ (89,666)</b>	<b>-2.23%</b>

Operating revenues charged to the Villages are directly correlated to changes in operating costs. In 2018, savings were seen in maintenance, insurance, and sludge removal costs.

Equipment Replacement Fund Revenues

A comparison of Equipment Replacement Fund revenues for the fiscal year ended December 31, 2018 compared to the previous two years is shown in the table below:

<u>Revenue</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>\$ Change from 2017 to 2018</u>	<u>% Change from 2017 to 2018</u>
Lombard <sup>1</sup>	\$ 1,760,068	\$ 1,826,913	\$ 1,905,091	\$ 78,178	4.3%
Glen Ellyn <sup>1</sup>	1,569,932	1,573,087	1,594,909	21,822	1.4%
Excess Contributions <sup>2</sup>	142,157	48,692	159,394	110,702	227.4%
Connection Fees <sup>3</sup>	67,124	290,110	100,890	(189,220)	-65.2%
Leachate Revenue <sup>4</sup>	166,863	156,100	139,300	(16,800)	-10.8%
Cell Tower Revenue <sup>5</sup>	27,179	52,616	52,844	228	0.4%
FOG Revenue <sup>6</sup>	35,818	167,806	23,944	(143,862)	-85.7%
Investment Income <sup>7</sup>	6,260	11,936	69,995	58,059	486.4%
Grant Revenue <sup>8</sup>	383,000	517,390	-	(517,390)	-100.0%
Other Income <sup>9</sup>	41,472	24,097	(17,644)	(41,741)	-173.2%
<b>Total Revenues</b>	<b>\$ 4,199,873</b>	<b>\$ 4,668,747</b>	<b>\$ 4,028,723</b>	<b>\$ (640,024)</b>	<b>-13.7%</b>

<sup>1</sup> Each partner contributes an annual amount to be allocated for reinvestment in plant infrastructure and rehabilitation. Contributions are determined annually as a part of the budget preparation process and are allocated based on the wastewater flows contributed by each partner at the Glenbard Plant.

<sup>2</sup> As part of the closeout of the 2017 fiscal year, both Villages contributed their portion of the operating surplus in the Operating Fund to the Equipment Replacement Fund.

<sup>3</sup> New connections to the respective sanitary sewer systems of the partners are charged a fee which is paid into the Equipment Replacement Fund. FY 2017 had greater fees than FY 2018 fees due to a few larger development projects.

# GLENBARD WASTEWATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

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4. Beginning in FY2012/13, the Authority began processing Leachate at the rate of two trucks per day. In FY2013/14, the number of trucks increased to three per day. In April 2014, the number of trucks was increased to a maximum of 6 per day, where it currently remains.
5. The Authority has an agreement with AT&T to house a cell phone tower on its premises. Beginning in November 2016, Verizon also entered into an agreement with the Authority to house a cell tower on the premises of the Glenbard plant.
6. Starting in 2016, the Authority began collecting Fats, Oils, and Grease (FOG) revenue. The Authority processes unwanted FOG from outside customers in the Authority's treatment process. This is a new revenue stream for the Authority. This process was halted at the end of FY17 as it caused an imbalance in the digester, resulting in a foul odor which disturbed neighboring subdivisions. The Authority began to receive FOG in 2018, however at a much reduced rate.
7. During 2018, interest rates rose as well as the cash balance in the Equipment Replacement Fund.
8. The Authority received state grants for its Combined Heat and Power capital project in 2016 and 2017. No grants were received in 2018.
9. The Authority received revenue in 2015 and 2016 for the EnerNoc Demand Response Program, which enables program participants to receive payment for being available to reduce or eliminate electricity consumption when the reliability of the electric grid is in jeopardy. No revenue was received in FY2017. There was revenue received in 2018; however, this was offset by a loss on the disposal of capital assets.

# GLENBARD WASTEWATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2018

### *Expenses*

#### Operating Fund Expenses

A comparison of Operating Fund expenses for FY 2018 compared to the previous two years is shown in the table below:

	FY 2016	FY 2017	FY 2018	2018 Percent of Total	\$ Change from 2017 to 2018	% Change from 2017 to 2018
Personnel Services <sup>1</sup>	\$1,592,611	\$1,583,225	\$1,583,762	41.45%	\$ 537	0.0%
IMRF Pension Expense	113,490	68,806	(132,646)	-3.47%	(201,452)	-292.8%
Contractual Services						
Maintenance <sup>2</sup>	451,733	478,057	414,474	10.85%	(63,583)	-13.3%
Service Charge	128,372	128,372	129,270	3.38%	898	0.7%
Sludge Removal <sup>3</sup>	155,380	179,218	153,121	4.01%	(26,097)	-14.6%
Utilities <sup>4</sup>	1,015,080	645,708	672,769	17.61%	27,061	4.2%
Insurance <sup>5</sup>	408,304	400,937	348,912	9.13%	(52,025)	-13.0%
Other <sup>6</sup>	225,496	198,992	183,330	4.80%	(15,662)	-7.9%
Commodities <sup>7</sup>	147,258	424,671	467,999	12.26%	43,328	10.2%
<b>Total</b>	<b>\$4,237,724</b>	<b>\$4,107,986</b>	<b>\$3,820,991</b>	<b>100.02%</b>	<b>(\$286,995)</b>	<b>-7.0%</b>

1. Personnel services include salaries for 17 full-time and 7 part-time/seasonal staff positions, overtime, Social Security and Medicare employer costs, and required retirement contributions to the Illinois Municipal Retirement Fund (IMRF) for full-time employees. Costs of employee health plan benefits are reflected in the "Insurance" category.
2. The Combined Heat and Power system was operational in FY17, increasing maintenance costs as the system requires annual maintenance of the systems. Equipment maintenance was down \$60,000 from the prior year. In FY17, spare engine parts were purchased at a cost of \$26,000 that were not purchased in FY18.
3. In 2017, an imbalance of the digester caused a foul odor at the facility. Additional sludge hauling was done to remove any solids which may be contributing to the odor.
4. The implementation of the Combined Heat and Power system reduced costs for utilities, mainly for electric power. Due to the upset of the digester in FY17, the system was not run at its full capacity and therefore electric power costs increased for FY18.
5. Health insurance costs decreased \$20,000 and liability insurance costs decreased \$30,000 from the prior year.
6. Legal, lab, and design engineering costs were all decreased from 2017.
7. The Authority began purchasing liquid oxygen in 2017 rather than producing it, raising commodity costs from 2016. In 2018, the expense for liquid oxygen increased \$100,454. Also, chemical costs increased in 2017, trying to neutralize the odor that occurred as well as due to price increases.



# GLENBARD WASTEWATER AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2018

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### Equipment Replacement Fund Expenses

The Authority invested over \$5.2 million in the continued replacement and rehabilitation of various capital equipment and plant upgrades during the fiscal year ended December 31, 2018. The major project undertaken during the year was the Facility Improvement Plan.

### *Capital Assets*

A schedule of the Authority's capital asset balances is presented below.

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Capital Assets, Not Being Depreciated	<u>\$ 1,757,788</u>	<u>\$10,599,278</u>	<u>\$15,677,188</u>
Capital Assets Being Depreciated	94,636,354	95,685,895	95,732,343
Less: Accumulated Depreciation	<u>(57,480,371)</u>	<u>(60,029,884)</u>	<u>(62,497,541)</u>
Total Capital Assets Being Depreciated, Net	<u>37,155,983</u>	<u>35,656,011</u>	<u>33,234,802</u>
Net Capital Assets	<u><u>\$38,913,771</u></u>	<u><u>\$46,255,289</u></u>	<u><u>\$48,911,990</u></u>

For more detailed information, see Note 3 on page 24.

### *Long-Term Debt*

A schedule of the Authority's State of Illinois EPA loan balances at December 31, 2018 is presented below.

	<u>Amount</u>
Digester Project	<u>\$ 3,799,771</u>
Facility Improvement Project	<u>12,149,837</u>
	<u><u>\$ 15,949,608</u></u>

The Authority is in process of drawing down funds for the Facility Improvement Project and the total approved loan amount is \$16,725,000. A final repayment schedule will not be available until construction is complete and final disbursements are reimbursed.

For more detailed information, see Note 3 on pages 25-26.

### Contacting the Authority's Financial Management

This financial report is designed to provide the users of these financial statements an overview of the Authority's operations and finances and to demonstrate accountability for the funds it receives. Questions concerning these financial statements may be directed to the Authority at 945 Bemis Road, Glen Ellyn, IL 60137.

## **FINANCIAL STATEMENTS**

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Statement of Net Position**

**December 31, 2018**

**(with Comparative Information for December 31, 2017)**

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**See Following Page**

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Statement of Net Position**

**December 31, 2018**

**(with Comparative Information for December 31, 2017)**

	December 31, 2018	December 31, 2017
<b>ASSETS</b>		
Current Assets		
Restricted Cash and Investments		
Working Cash Account	\$ 1,573,861	1,220,060
Equipment Replacement Account	5,549,627	4,130,035
Accounts Receivable - Net of Allowances		
Accounts Receivable	42,983	42,987
Member Contributions	31,883	31,770
Loans	660,174	385,126
Inventory and Prepays	156,625	151,873
Total Current Assets	<u>8,015,153</u>	<u>5,961,851</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable Capital Assets	15,677,188	10,599,278
Depreciable Capital Assets	95,732,343	95,685,895
Accumulated Depreciation	<u>(62,497,541)</u>	<u>(60,029,884)</u>
Total Capital Assets	48,911,990	46,255,289
Other Assets		
Net Pension Asset - IMRF	<u>-</u>	<u>297,109</u>
Total Noncurrent Assets	<u>48,911,990</u>	<u>46,552,398</u>
Total Assets	<u>56,927,143</u>	<u>52,514,249</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	<u>704,968</u>	<u>239,180</u>
Total Assets and Deferred Outflows of Resources	<u>57,632,111</u>	<u>52,753,429</u>

The notes to the financial statements are an integral part of this statement.

	December 31, 2018	December 31, 2017
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$ 1,732,238	2,177,347
Unearned Rental Revenue	23,030	22,144
Members Payable	481,293	189,954
Accrued Payroll	86,141	70,623
Interest Payable	40,011	45,613
Current Portion of Long-Term Debt	572,509	557,962
Total Current Liabilities	<u>2,935,222</u>	<u>3,063,643</u>
Noncurrent Liabilities		
Compensated Absences	108,458	103,813
Net Pension Liability - IMRF	820,014	-
FIP Loan Payable	12,149,837	7,548,983
Digester Loan Payable	3,254,376	3,799,773
Total Noncurrent Liabilities	<u>16,332,685</u>	<u>11,452,569</u>
Total Liabilities	19,267,907	14,516,212
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	<u>125,366</u>	<u>925,256</u>
Total Liabilities and Deferred Inflows of Resources	<u>19,393,273</u>	<u>15,441,468</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	32,962,382	34,374,524
Restricted	<u>5,276,456</u>	<u>2,937,437</u>
Total Net Position	<u><u>38,238,838</u></u>	<u><u>37,311,961</u></u>

The notes to the financial statements are an integral part of this statement.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Statement of Revenues, Expenses, and Changes in Net Position**

**For the Fiscal Year Ended December 31, 2018**

**(with Comparative Information for the Fiscal Year Ended December 31, 2017)**

	December 31, 2018	December 31, 2017
Operating Revenues		
Charges to Villages	\$ 7,431,990	7,421,656
Operating Expenses		
Personnel Services	1,583,762	1,648,081
IMRF Pension Expense	(148,555)	69,337
Contractual Services		
Maintenance	414,474	478,057
Service Charge	129,270	128,372
Sludge Removal	153,121	179,218
Utilities	672,769	645,708
Insurance	348,912	404,506
Other	184,285	198,992
Commodities	467,999	424,671
Maintenance of Capital Facilities and Equipment	654,118	481,240
Depreciation	2,495,940	2,549,513
Total Operating Expenses	6,956,095	7,207,695
Operating Income	475,895	213,961
Nonoperating Revenues (Expenses)		
Surplus Contributions	159,394	48,692
Connection Fees	100,890	290,110
Enernoc Demand Response	17,156	-
Leachate Revenues	139,300	156,100
Fats, Oil & Grease Waste Fees	23,944	167,806
Cell Tower Revenues	52,844	52,616
Other Income	8,041	15,638
Sale of Capital Assets	(42,753)	13,374
Grant Revenue	-	517,390
Investment Income	91,554	24,545
Interest Expense	(99,388)	(112,581)
Total Nonoperating Revenues (Expenses)	450,982	1,173,690
Change in Net Position	926,877	1,387,651
Net Position - Beginning	37,311,961	35,924,310
Net Position - Ending	38,238,838	37,311,961

The notes to the financial statements are an integral part of this statement.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Statement of Cash Flows**

**For the Fiscal Year Ended December 31, 2018**

**(with Comparative Information for the Fiscal Year Ended December 31, 2017)**

	December 31, 2018	December 31, 2017
Cash Flows from Operating Activities		
Receipts from Charges to Villages	\$ 7,610,897	8,164,852
Payments to Employees	(1,435,207)	(1,717,418)
Payments to Suppliers	(3,310,665)	(767,335)
	<u>2,865,025</u>	<u>5,680,099</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(5,199,225)	(9,891,031)
Disposal of Capital Assets	46,584	-
Issuance of Capital Related Debt	4,600,854	7,548,983
Interest and Fiscal Charges	(99,388)	(112,581)
Payment of Loans Principal	(532,011)	(518,956)
	<u>(1,183,186)</u>	<u>(2,973,585)</u>
Cash Flows from Investing Activities		
Investment Income	<u>91,554</u>	<u>24,545</u>
Net Change in Cash and Cash Equivalents	1,773,393	2,731,059
Cash and Cash Equivalents		
Beginning	<u>5,350,095</u>	<u>2,619,036</u>
Ending	<u><u>7,123,488</u></u>	<u><u>5,350,095</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income	475,895	213,961
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:		
Depreciation Expense	2,495,940	2,549,513
Other Income	458,816	1,261,726
Other Expense	(148,555)	-
(Increase) Decrease in Current Assets	(279,909)	(518,530)
Increase (Decrease) in Current Liabilities	(137,162)	2,173,429
Net Cash Provided by Operating Activities	<u><u>2,865,025</u></u>	<u><u>5,680,099</u></u>

The notes to the financial statements are an integral part of this statement.

# **GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

## **Notes to the Financial Statements December 31, 2018**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Glenbard Wastewater Authority, Glen Ellyn, Illinois, Illinois (the “Authority”) was created and established by an agreement dated November 28, 1977, between the Villages of Lombard, Illinois and Glen Ellyn, Illinois, for the purpose of jointly treating and processing wastewater. This agreement has been amended since inception. The last amendment was April 17, 2014. The wastewater is treated in two plants, known as the Glenbard Wastewater Authority and the Lombard Storm Water Facility.

Construction of the facilities was financed by monies appropriated by the Villages and by grants from the U.S. Environmental Protection Authority. The Village of Glen Ellyn, as the designated lead Authority, maintained the Glenbard Lead Authority Construction Fund, which included all transactions relating to planning, design, and construction of the wastewater treatment facilities. The cost of the facilities, which aggregated \$43,297,682, was contributed to the Authority by the Glenbard Lead Authority Construction Fund.

In accordance with the 1977 agreement, as amended in April 1998 and April 2014, the Village of Glen Ellyn provides certain management services (administration, personnel, payroll, data processing, and accounting services) to the Authority. The Village is reimbursed for such services and, therefore, receives a service charge (overhead fee) pursuant to the agreement.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Authority’s accounting policies established in GAAP and used by the Authority are described below.

### **REPORTING ENTITY**

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. Criteria for including a component unit in the Authority’s reporting entity principally consist of the potential component unit’s financial interdependency and accountability to the Authority. Based on those criteria, there are no potential component units to be included in the reporting entity. The Authority itself is not a component unit of another governmental entity, but rather is considered to be a jointly governed organization.

### **BASIS OF PRESENTATION**

In the Statement of Net Position, the Authority’s activities are reported on a full accrual, economic resources basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term obligations/deferred inflows.



## **GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

### **Notes to the Financial Statements December 31, 2018**

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#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **BASIS OF PRESENTATION – Continued**

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Authority utilizes a single proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties.

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

##### **Measurement Focus**

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

##### **Basis of Accounting**

The Authority’s basic financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services. Operating expenses include the cost of services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

**Cash and Investments**

For the purpose of the Statement of Net Position, the cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Authority's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

**Restricted Cash and Investments**

Refer to the working cash account and equipment replacement account sections in the Net Position note for details on assets restricted under intergovernmental and grant agreements.

**Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. There is no allowance for uncollectible since these amounts are expected to be fully collectible. The Authority reports member contributions as its major receivable.

**Prepays/Inventories**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

**Capital Assets**

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. For movable property, the Authority’s capitalization policy includes all items with a unit cost of \$20,000 or more, depending on asset class, and an estimated useful life that is greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Donated capital assets are recorded at estimated acquisition value at the date of donation. Depreciation has been provided using the straight-line method over the following estimated useful lives of the assets:

Vehicles	7 Years
Land Improvements	7 - 20 Years
Equipment	10 - 15 Years
Buildings and Improvements	10 - 45 Years
Sewer Lines	40 - 50 Years

**Deferred Outflows/Inflows of Resources**

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

**Compensated Absences**

The Authority grants a specific number of annual leave hours bi-weekly with pay to its employees. Earned annual leave and compensatory time may be accumulated and is payable to the employee upon termination of employment and, therefore, is accrued through year-end. Long-term accumulated sick leave is not reimbursable upon termination of employment and, therefore, is not accrued.

**Long-Term Obligations**

In the financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Loan premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Loans payable are reported net of the applicable loan premium or discount. Loan issuance costs are reported as expenses at the time of issuance.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued**

**Net Position**

In the government-wide financial statements, equity is classified as net position and displayed in two components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

The Authority considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund position is available.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

Budgeted amounts used for comparison in this report are obtained from the operating budget of the Authority, approved by Glenbard Wastewater Authority Board of Directors, which is prepared in accordance with generally accepted accounting principles, except that depreciation expense is not part of the operating budget, and note principal payments are budgeted as expenses. The budget amounts included in the supplemental information are from the final adopted budget, including all amendments, which were not significant. The budget lapses at the end of the fiscal year.

# **GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

## **Notes to the Financial Statements December 31, 2018**

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### **NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS**

#### **DEPOSITS AND INVESTMENTS**

Permitted Deposits and Investments – Statutes authorize the Authority to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds and Illinois Metropolitan Investment Fund investment pools.

Illinois Funds is an investment pool management by the Illinois Public Treasurer’s Office, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

#### **Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Authority’s deposits totaled \$2,034,992 and the bank balances totaled \$2,133,113. The Authority also has \$2,579,305 invested in the Illinois Funds and \$2,509,191 in IMET at year end.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority’s investment policy states they will attempt to match its investments with anticipated cash flows requirements. Unless matched to a specific cash flow, the Authority will not directly invest in securities maturing more than five years from the date of purchase. Any investment purchased with a maturity longer than four years must be supported with written documentation explaining the reason for the purchase and must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the Authority Board. The Authority’s investments in the Illinois Funds and IMET have an average maturity of less than one year.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority may invest in any type of security authorized by the State of Illinois Public Funds Investment Act (30 ILCS 235/) regarding the investment of public funds. The Authority’s investments in the Illinois Funds is rated AAAM by Standard & Poor’s and the Authority’s investment in IMET is rated AA by Standard & Poor’s.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority’s policy requires that funds on deposit in excess of FDIC limits be secured by some form of collateral. The Authority will accept government securities, obligations of federal agencies, obligations of federal instrumentalities, and obligations of the State of Illinois. At year end, the entire bank balance was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2018, the Authority’s investment in the Illinois Funds and IMET funds are not subject to custodial credit risk.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Authority’s investment in a single issuer. At year-end, the Authority does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**CONSTRUCTION COMMITMENTS**

The Authority has entered into contracts for the construction or renovation of various facilities as follows:

<u>Project</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Facility Improvement Plan	\$ 12,870,933	5,618,367

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued**

**CAPITAL ASSETS**

The following is a summary of capital assets as of the date of this report:

	Beginning Balances	Additions	Deletions	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 466,788	32,632	-	499,420
Property Easement	-	168,607	-	168,607
Construction in Progress	10,132,490	4,876,671	-	15,009,161
	<u>10,599,278</u>	<u>5,077,910</u>	<u>-</u>	<u>15,677,188</u>
<b>Depreciable Capital Assets</b>				
Glenbard Plant	67,498,466	121,315	74,867	67,544,914
Stormwater Plant	11,865,247	-	-	11,865,247
North Regional Interceptor	10,751,759	-	-	10,751,759
South Regional Interceptor	5,570,423	-	-	5,570,423
	<u>95,685,895</u>	<u>121,315</u>	<u>74,867</u>	<u>95,732,343</u>
<b>Less Accumulated Depreciation</b>				
Glenbard Plant	40,788,071	1,700,057	28,283	42,459,845
Stormwater Plant	8,675,591	258,762	-	8,934,353
North Regional Interceptor	7,365,164	300,014	-	7,665,178
South Regional Interceptor	3,201,058	237,107	-	3,438,165
	<u>60,029,884</u>	<u>2,495,940</u>	<u>28,283</u>	<u>62,497,541</u>
Total Net Depreciable Capital Assets	<u>35,656,011</u>	<u>(2,374,625)</u>	<u>46,584</u>	<u>33,234,802</u>
Total Net Capital Assets	<u>46,255,289</u>	<u>2,703,285</u>	<u>46,584</u>	<u>48,911,990</u>

Depreciation was allocated to the members as follows:

Village of Lombard	\$ 1,357,667
Village of Glen Ellyn	<u>1,138,273</u>
	<u><u>2,495,940</u></u>

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued**

**LONG-TERM DEBT**

**Loans Payable**

The Authority has entered into loan agreements to provide low interest financing for capital improvements. Loans currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances (a)
Anaerobic Digester Loan Payable dated October 10, 2007, due in annual installments of \$637,002, including interest at 2.500%, through July 31, 2024.	\$ 4,331,782	-	532,011	3,799,771 (b)
Facility Improvement Project Loan Payable dated September 23, 2016, due in annual installments of \$425,208, including interest at 1.750%, through October 10, 2039.	7,548,983	4,600,854	-	12,149,837 (c)
	<u>11,880,765</u>	<u>4,600,854</u>	<u>532,011</u>	<u>15,949,608</u>

(a) Includes construction interest.

(b) Amounts disbursed as of the date of the audit report is \$7,703,497. Total approved loan amount is \$7,700,000. The future debt service shown here has been calculated based on a preliminary repayment schedule issued by the IEPA and adjusted for final disbursements reimbursed. As of December 31, 2018, there were no additional loan requests outstanding. The original amount exceeds the \$7,700,000 due to estimated construction interest.

(c) Amounts disbursed as of the date of the audit report is \$12,149,837. Total approved loan amount is \$16,725,000. The final repayment schedule for this loan will not be available until construction is complete and final disbursements are reimbursed.



**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued**

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 129,766	11,612	5,806	135,572	27,114
Net Pension Liability/(Asset) - IMRF	(297,109)	1,117,123	-	820,014	-
Loans Payable	11,880,765	4,600,854	532,011	15,949,608	545,395
	<u>11,713,422</u>	<u>5,729,589</u>	<u>537,817</u>	<u>16,905,194</u>	<u>572,509</u>

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Loans Payable	
	Principal	Interest
2019	\$ 545,395	91,607
2020	559,115	77,887
2021	573,180	63,822
2022	587,599	49,403
2023	602,381	34,621
2024	617,534	19,468
2025	314,567	3,932
	<u>3,799,771</u>	<u>340,740</u>

The Facility Improvement Project Loan Payable does not have final repayment schedule; therefore, is not included in the debt service requirements to maturity above.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued**

**NET POSITION**

**Net Position Classification**

Net position consists of the following as of December 31, 2018 and December 31, 2017:

	December 31, 2018	December 31, 2017
Net Position		
Net Investment in Capital Assets	\$ 32,962,382	34,374,524
Equipment Replacement Account (Restricted)	4,683,366	2,476,985
Working Cash Account (Restricted)	593,090	460,452
Total Net Position	<u>38,238,838</u>	<u>37,311,961</u>

Net investment in capital assets was comprised of the following as of December 31, 2018 and December 31, 2017:

	December 31, 2018	December 31, 2017
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation	\$ 48,911,990	46,255,289
Less Capital Related Debt:		
Loans Payable	<u>(15,949,608)</u>	<u>(11,880,765)</u>
Net Investment in Capital Assets	<u>32,962,382</u>	<u>34,374,524</u>

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued**

**NET POSITION – Continued**

**Equipment Replacement Fund**

The equipment replacement account is required under the grant agreement from the U.S. Environmental Protection Agency and represents accumulated funds held for plan and equipment replacement. The activities for the years ended December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Beginning Balance	\$ 36,851,517	35,395,060
Revenue and Expense Results within Equipment Replacement Sub-Fund	(439,218)	545,342
Surplus Contributions	159,394	48,692
Investment Income (Loss)	69,995	11,936
Service Fees Charged to Villages	3,500,000	3,400,000
Depreciation	(2,495,940)	(2,549,513)
	<u>37,645,748</u>	<u>36,851,517</u>
Less: Net Investment in Capital Assets	(32,962,382)	(34,374,524)
	<u>4,683,366</u>	<u>2,476,993</u>
Restricted for Future Plant and Equipment Replacement	<u>4,683,366</u>	<u>2,476,993</u>

**Working Cash Account**

The agreement dated November 28, 1977 and all amended agreements as of March 31, 1987 between the Villages were amended as of April 16, 1998. The purpose of the amendment was to provide the Authority the ability to maintain a working cash account as of the end of the fiscal year at a level not less than 25% of the annual operating and maintenance expenses exclusive of depreciation and equipment replacement. Working cash is calculated as the total general ledger cash and short-term investment balances less all current and prior open encumbrances (Operating Sub-Fund only). In the event the working cash balance at the end of the fiscal year is less than 25% of the annual operating expenses exclusive of depreciation and equipment replacement, each of the Villages will contribute an amount sufficient to adjust the working cash balance to the minimum amount required. The required contribution by the Villages is based upon their proportionate share of total operating expenses for the year. No additional funding is required by the Villages in the event the minimum 25% of operating expense working cash requirement is satisfied as of the end of the fiscal year. Additionally, the amendment also was designed to modify the payment process with the Villages. The following is the calculation of the working cash account required:

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 3 – DETAILED NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued**

**NET POSITION – Continued**

**Working Cash Account – Continued**

	Village of Lombard	Village of Glen Ellyn	December 31, 2018	December 31, 2017
Operating Expenses (as Defined in Intergovernmental Agreement)	\$ 2,324,485	1,629,152	3,953,637	4,039,180
Minimum Working Capital Balance (25% of Operating Expenses)	\$ 581,121	407,288	988,409	1,009,795
Cash and Investments - Operating Sub-Fund			\$ 1,573,861	1,220,060
Less: Outstanding Encumbrances			(26,905)	(21,702)
Working Cash			1,546,956	1,198,358
Less: Required Working Cash			(988,409)	(1,009,795)
Working Cash over Minimum Requirement			558,547	188,563

**Working cash balance computation:**

	Village of Lombard	Village of Glen Ellyn	Totals
Amount Required	\$ (581,121)	(407,288)	(988,409)
Amount Available	909,511	637,445	1,546,956
Cash Reserve Excess	328,390	230,157	558,547

# **GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

## **Notes to the Financial Statements December 31, 2018**

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### **NOTE 4 – OTHER INFORMATION**

#### **RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Authority's employees. These risks are covered by commercial insurance. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the past three years.

#### **Municipal Insurance Cooperative Association**

Effective January 1, 2003, the Authority joined together with other local governments in Illinois in the Municipal Insurance Cooperative Association (MICA). MICA is a public entity risk pool operating a common risk management and insurance program for its member governments. The Authority pays an annual premium to MICA based upon the Authority's prior experience within the pool. Amounts paid into the pool in excess of claims for any coverage year may be rebated back to members in subsequent periods. The Authority is not aware of any additional premiums owed to MICA for the current or prior year claims. The Authority pays the first \$5,000 for property, liability and crime claims. MICA maintains selective reinsurance contracts to cover potential claims to the total loss aggregate for all members of \$11,750,000. MICA also purchases excess coverage of \$400,000,000 for property liability and \$9,000,000 for other liability.

#### **Intergovernmental Risk Management Agency (IRMA)**

Prior to joining MICA, the Authority participated in the Intergovernmental Risk Management Agency (IRMA) through December 31, 2002. IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

IRMA has actuarially calculated loss reserves for claims incurred while the Authority was an active member. The Authority has continuing responsibilities to IRMA for any open claims that exceed the reserved amounts. These claims are offset by the Authority's \$31,453 member reserve balance with IRMA.

## **GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

### **Notes to the Financial Statements December 31, 2018**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **RISK MANAGEMENT – Continued**

##### **Intergovernmental Personnel Benefit Cooperative (IPBC)**

Risks for medical and death benefits for employees and retirees are provided for through the Authority's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC) (through the Village of Glen Ellyn). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Authority pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years' experience factor for premiums.

##### **CONTINGENT LIABILITIES**

###### **Litigation**

The Authority does not have any pending or threatened litigation, claims or assessments as of the opinion date.

##### **EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN**

###### **Illinois Municipal Retirement Fund (IMRF)**

The Authority contributes to the Illinois Municipal Retirement Fund (IMRF), through the Village of Glen Ellyn's, a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF provides retirement, disability, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

###### **Plan Descriptions**

*Plan Administration.* All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Plan Membership.* As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Active Plan Members

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A detailed breakdown of IMRF membership for the Village, Library, and the Authority combined is available in the Village of Glen Ellyn's comprehensive annual financial report.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Contributions.* As set by statute, the Authority’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2018, the Authority’s contribution was 9.88% of covered payroll.

*Net Pension Liability.* The Authority’s net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.39% - 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.



**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Plan Descriptions – Continued**

*Actuarial Assumptions – Continued.* The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25% and the discount rate used in the prior valuation was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability/(asset) of the Authority calculated using the discount rate as well as what the Authority's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Discount Rate Sensitivity – Continued**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 1,820,432	820,014	(9,177)

**Changes in the Net Pension Liability/(Asset)**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2017	\$ 8,886,398	9,183,507	(297,109)
Changes for the Year:			
Service Cost	114,501	-	114,501
Interest on the Total Pension Liability	609,697	-	609,697
Difference Between Expected and Actual Experience of the Total Pension Liability	51,409	-	51,409
Changes of Assumptions	221,936	-	221,936
Contributions - Employer	-	122,242	(122,242)
Contributions - Employees	-	64,375	(64,375)
Net Investment Income	-	(469,664)	469,664
Benefit Payments, Including Refunds of Employee Contributions	(428,162)	(428,162)	-
Other (Net Transfer)	-	163,467	(163,467)
Net Changes	569,381	(547,742)	1,117,123
Balances at December 31, 2018	9,455,779	8,635,765	820,014

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement – Continued**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2018, the Authority recognized pension revenue of 27,000. At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 34,853	(27,832)	7,021
Change in Assumptions	150,466	(97,534)	52,932
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	519,649	-	519,649
Total Deferred Amounts Related to IMRF	<u>704,968</u>	<u>(125,366)</u>	<u>579,602</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2019	\$ 167,032
2020	123,262
2021	71,694
2022	217,614
2023	-
Thereafter	<u>-</u>
Total	<u>579,602</u>

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2018**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

The Authority has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Authority are required to pay 100% of the current premium. However, there is minimal participation. As the Authority provides no explicit benefit, and there is minimal participation, there is no material implicit subsidy to calculate in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Therefore, the Authority has not recorded a liability as of December 31, 2018.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
December 31, 2018**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 128,318	\$ 128,318	\$ -	\$ 1,186,197	10.82%
2016	140,036	139,480	(556)	1,294,237	10.78%
2017	134,225	135,586	1,361	1,298,110	10.44%
2018	122,310	122,242	(68)	1,236,706	9.88%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
December 31, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 123,338
Interest	605,696
Differences Between Expected and Actual Experience	97,561
Change of Assumptions	9,922
Benefit Payments, Including Refunds of Member Contributions	<u>(399,698)</u>
Net Change in Total Pension Liability	436,819
Total Pension Liability - Beginning	<u>8,214,126</u>
Total Pension Liability - Ending	<u><u>8,650,945</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 128,318
Contributions - Members	54,005
Net Investment Income	39,822
Benefit Payments, Including Refunds of Member Contributions	(399,698)
Other (Net Transfer)	<u>45,862</u>
Net Change in Plan Fiduciary Net Position	(131,691)
Plan Net Position - Beginning	<u>8,073,123</u>
Plan Net Position - Ending	<u><u>7,941,432</u></u>
Employer's Net Pension Liability/(Asset)	<u><u>\$ 709,513</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.80%
Covered Payroll	\$ 1,186,197
Employer's Net Pension Liability as a Percentage of Covered Payroll	59.81%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018
128,961	137,350	114,501
628,935	615,459	609,697
(67,729)	(73,414)	51,409
(9,982)	(257,267)	221,936
(434,992)	(431,868)	(428,162)
245,193	(9,740)	569,381
8,650,945	8,896,138	8,886,398
8,896,138	8,886,398	9,455,779
139,480	135,586	122,242
59,117	58,474	64,375
543,260	1,413,859	(469,664)
(434,992)	(431,868)	(428,162)
(20,365)	(220,476)	163,467
286,500	955,575	(547,742)
7,941,432	8,227,932	9,183,507
8,227,932	9,183,507	8,635,765
668,206	(297,109)	820,014
92.49%	103.34%	91.33%
1,294,237	1,298,110	1,236,706
51.63%	(22.89)%	66.31%



## **SUPPLEMENTAL SCHEDULES**

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Combining Statement of Net Position  
December 31, 2018**

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
<b>ASSETS</b>			
Current Assets			
Restricted Cash and Investments			
Working Cash Account	\$ 1,573,861	-	1,573,861
Equipment Replacement Account	-	5,549,627	5,549,627
Accounts Receivable - Net of Allowances			
Accounts Receivable	-	42,983	42,983
Member Contributions			
Village of Lombard	-	31,883	31,883
IEPA Loans	-	660,174	660,174
Prepays	88,723	26,580	115,303
Inventory	-	41,322	41,322
Total Current Assets	1,662,584	6,352,569	8,015,153
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	-	15,677,188	15,677,188
Depreciable Capital Assets	-	95,732,343	95,732,343
Accumulated Depreciation	-	(62,497,541)	(62,497,541)
Total Capital Assets	-	48,911,990	48,911,990
Total Assets	1,662,584	55,264,559	56,927,143
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	704,968	-	704,968
Total Assets and Deferred Outflows of Resources	2,367,552	55,264,559	57,632,111

	Operating Sub-Fund	Equipment Replacement Sub-fund	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 157,959	1,574,279	1,732,238
Unearned Rental Revenue	-	23,030	23,030
Accrued Payroll	86,141	-	86,141
Interest Payable	-	40,011	40,011
Members Accounts Payable			
Village of Glen Ellyn	261,998	31,883	293,881
Village of Lombard	187,412	-	187,412
Current Portion of Long-Term Debt	27,114	545,395	572,509
<b>Total Current Liabilities</b>	<b>720,624</b>	<b>2,214,598</b>	<b>2,935,222</b>
Noncurrent Liabilities			
Compensated Absences	108,458	-	108,458
Net Pension Liability - IMRF	820,014	-	820,014
FIP Loan Payable	-	12,149,837	12,149,837
Digester Loan Payable	-	3,254,376	3,254,376
<b>Total Noncurrent Liabilities</b>	<b>928,472</b>	<b>15,404,213</b>	<b>16,332,685</b>
<b>Total Liabilities</b>	<b>1,649,096</b>	<b>17,618,811</b>	<b>19,267,907</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	125,366	-	125,366
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,774,462</b>	<b>17,618,811</b>	<b>19,393,273</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	32,962,382	32,962,382
Restricted	593,090	4,683,366	5,276,456
<b>Total Net Position</b>	<b>593,090</b>	<b>37,645,748</b>	<b>38,238,838</b>

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Combining Statement of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2018**

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
Operating Revenues			
Charges to Villages	\$ 3,931,990	3,500,000	7,431,990
Operating Expenses			
Personnel Services	1,583,762	-	1,583,762
IMRF Pension Expense	(132,646)	(15,909)	(148,555)
Contractual Services			
Maintenance	414,474	-	414,474
Service Charge	129,270	-	129,270
Sludge Removal	153,121	-	153,121
Utilities	672,769	-	672,769
Insurance	348,912	-	348,912
Other	183,330	955	184,285
Commodities	467,999	-	467,999
Maintenance of Capital Facilities and Equipment	-	654,118	654,118
Depreciation	-	2,495,940	2,495,940
Total Operating Expenses	3,820,991	3,135,104	6,956,095
Operating Income (Loss)	110,999	364,896	475,895
Nonoperating Revenues (Expenses)			
Surplus Contribution	-	159,394	159,394
Connection Fees	-	100,890	100,890
Enernoc Demand Response	-	17,156	17,156
Leachate Revenues	-	139,300	139,300
Fats, Oil & Grease Waste Fees	-	23,944	23,944
Cell Tower Revenues	-	52,844	52,844
Other Income	88	7,953	8,041
Sale of Capital Assets	-	(42,753)	(42,753)
Investment Income	21,559	69,995	91,554
Interest Expense	-	(99,388)	(99,388)
Total Nonoperating Revenues (Expenses)	21,647	429,335	450,982
Change in Net Position	132,646	794,231	926,877
Net Position - Beginning	460,444	36,851,517	37,311,961
Net Position - Ending	593,090	37,645,748	38,238,838

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Combining Statement of Cash Flows  
December 31, 2018**

	Operating Sub-Fund	Equipment Replacement Sub-Fund	Totals
<b>Cash Flows from Operating Activities</b>			
Receipts from Charges to Villages	\$ 3,928,100	3,682,797	7,610,897
Payments to Employees	(1,451,116)	15,909	(1,435,207)
Payments to Suppliers	(2,144,742)	(1,165,923)	(3,310,665)
	<u>332,242</u>	<u>2,532,783</u>	<u>2,865,025</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	-	(5,199,225)	(5,199,225)
Disposal of Capital Assets	-	46,584	46,584
Issuance of Capital Related Debt	-	4,600,854	4,600,854
Interest and Fiscal Charges	-	(99,388)	(99,388)
Payment of Bond Principal	-	(532,011)	(532,011)
	<u>-</u>	<u>(1,183,186)</u>	<u>(1,183,186)</u>
<b>Cash Flows from Investing Activities</b>			
Investment Income	<u>21,559</u>	<u>69,995</u>	<u>91,554</u>
Net Change in Cash and Cash Equivalents	353,801	1,419,592	1,773,393
<b>Cash and Cash Equivalents</b>			
Beginning	<u>1,220,060</u>	<u>4,130,035</u>	<u>5,350,095</u>
Ending	<u>1,573,861</u>	<u>5,549,627</u>	<u>7,123,488</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>			
Operating Income	110,999	364,896	475,895
<b>Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used In) Operating Activities:</b>			
Depreciation Expense	-	2,495,940	2,495,940
Other Income	88	458,728	458,816
Other Expense	(132,646)	(15,909)	(148,555)
(Increase) Decrease in Current Assets	(3,978)	(275,931)	(279,909)
Increase (Decrease) in Current Liabilities	357,779	(494,941)	(137,162)
Net Cash Provided by Operating Activities	<u>332,242</u>	<u>2,532,783</u>	<u>2,865,025</u>

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Operating Sub-Fund**

**Statement of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2018  
(with Comparative Information for the Fiscal Year Ended December 31, 2017)**

	For the Fiscal Year Ended December 31, 2018		
	Budget	Actual	Variance Over (Under)
Operating Revenues			
Charges to Villages	\$ 4,381,400	3,931,990	(449,410)
Operating Expenses			
Personnel Services	1,612,000	1,583,762	(28,238)
IMRF Pension Expense	-	(132,646)	(132,646)
Contractual Services			
Maintenance	640,700	414,474	(226,226)
Service Charge	129,300	129,270	(30)
Sludge Removal	220,000	153,121	(66,879)
Utilities	623,400	672,769	49,369
Insurance	411,400	348,912	(62,488)
Other	238,200	183,330	(54,870)
Commodities	511,400	467,999	(43,401)
Total Operating Expenses	4,386,400	3,820,991	(565,409)
Operating Income (Loss)	(5,000)	110,999	(1,014,819)
Nonoperating Revenues			
Other Income (Loss)	-	88	12,423
Interest Income	5,000	21,559	23
Total Nonoperating Revenues	5,000	21,647	12,446
Change in Net Position	-	132,646	(1,002,373)
Net Position - Beginning		460,444	
Net Position - Ending		593,090	

For the Fiscal Year Ended December 31, 2017

Budget	Actual	Variance Over (Under)
\$ 4,181,050	4,021,656	(159,394)
1,648,000	1,583,225	(64,775)
-	68,806	68,806
655,350	478,057	(177,293)
128,400	128,372	(28)
170,000	179,218	9,218
422,100	645,708	223,608
411,000	400,937	(10,063)
221,800	198,992	(22,808)
527,900	424,671	(103,229)
4,184,550	4,107,986	(76,564)
(3,500)	(86,330)	(235,958)
-	4,915	12,423
3,500	12,609	23
3,500	17,524	12,446
-	(68,806)	(223,512)
	<u>529,250</u>	
	<u>460,444</u>	

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Equipment Replacement Sub-Fund**

**Statement of Revenues, Expenses, and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended December 31, 2018  
(with Comparative Information for the Fiscal Year Ended December 31, 2017)**

	For the Fiscal Year Ended December 31, 2018		
	Budget	Actual	Variance Over (Under)
Operating Revenues			
Charges to Villages	\$ 3,500,000	3,500,000	-
Operating Expenses			
Personnel Services	90,000	-	90,000
IMRF Pension Expense	-	(15,909)	15,909
Contractual			
Insurance	5,000	-	5,000
Other	-	955	(955)
Maintenance of Capital Facilities and Equipment	8,252,962	654,118	7,598,844
Depreciation	-	2,495,940	(2,495,940)
Total Operating Expenses	8,347,962	3,135,104	5,212,858
Operating Income (Loss)	(4,847,962)	364,896	5,212,858
Nonoperating Revenues (Expenses)			
Surplus Contributions	-	159,394	159,394
Connection Fees	50,000	100,890	50,890
Enernoc Demand Response	-	17,156	17,156
Leachate Revenues	117,000	139,300	22,300
Fats, Oil & Grease Waste Fees	50,000	23,944	(26,056)
Cell Tower Revenues	53,000	52,844	(156)
Other Income	10,000	7,953	(2,047)
Sale of Capital Assets	-	(42,753)	(42,753)
Grant Revenue	-	-	-
Investment Income (Loss)	10,000	69,995	59,995
Interest Expense	(105,000)	(99,388)	5,612
Debt Issuance	6,600,000	4,600,854	(1,999,146)
Digester Loan Principal	(532,000)	(532,011)	(11)
Less Items to Statement of Net Position	-	(4,068,843)	(4,068,843)
Total Nonoperating Revenues (Expenses)	6,253,000	429,335	(5,823,665)
Change in Net Position	1,405,038	794,231	(610,807)
Net Position - Beginning		36,851,517	
Net Position - Ending		37,645,748	



For the Fiscal Year Ended December 31, 2017		
Budget	Actual	Variance Over (Under)
\$ 3,400,000	3,400,000	-
97,000	64,856	32,144
-	531	(531)
5,000	3,569	1,431
-	-	-
13,978,000	481,240	13,496,760
-	2,549,513	(2,549,513)
14,080,000	3,099,709	10,980,291
(10,680,000)	300,291	10,980,291
-	48,692	48,692
125,000	290,110	165,110
-	-	-
140,000	156,100	16,100
100,000	167,806	67,806
49,000	52,616	3,616
10,000	10,723	723
-	13,374	13,374
500,000	517,390	17,390
20,000	11,936	(8,064)
(131,000)	(112,581)	18,419
10,334,000	7,548,983	(2,785,017)
(506,000)	(518,956)	(12,956)
-	(7,030,027)	(7,030,027)
10,641,000	1,156,166	(9,484,834)
<u>(39,000)</u>	1,456,457	<u>1,495,457</u>
	<u>35,395,060</u>	
	<u>36,851,517</u>	

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Consolidated Year-End Financial Report**

**December 31, 2018**

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CSFA #	Program Name	State	Federal	Other
N/A	IEPA FIP Loan	\$ -	5,638,587	5,638,587
	All Other Costs Not Allocated	-	-	1,459,649
	Totals	-	5,638,587	7,098,236

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N/A - Not available as of the date of this report.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS**

**Schedule of Comparative Flows - Last Ten Fiscal Years  
December 31, 2018 (Unaudited)**

Fiscal Year	Glenbard				North Regional Interceptor			
	Glen Ellyn		Lombard		Glen Ellyn		Lombard	
	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent	Gallons (in 000's)	Percent
2010	\$ 2,150,813	47.29%	\$ 2,397,365	52.71%	\$ 923,648	33.42%	\$ 1,840,040	66.58%
2011	2,269,677	47.17%	2,542,361	52.83%	1,022,527	34.17%	1,970,275	65.83%
2012	1,958,098	47.65%	2,151,514	52.35%	861,399	34.81%	1,612,956	65.19%
2013	1,755,400	46.70%	2,003,538	53.30%	792,733	34.97%	1,474,329	65.03%
2014	1,773,595	44.61%	2,201,911	55.39%	759,050	32.07%	1,607,612	67.93%
2014*	1,163,852	45.43%	1,398,187	54.57%	N/A	N/A	N/A	N/A
2015	1,939,993	45.25%	2,347,125	54.75%	N/A	N/A	N/A	N/A
2016	1,890,348	44.39%	2,368,065	55.61%	N/A	N/A	N/A	N/A
2017	1,916,548	42.65%	2,576,590	57.35%	N/A	N/A	N/A	N/A
2018	1,873,111	41.21%	2,672,566	58.79%	N/A	N/A	N/A	N/A

\*For the eight months ended December 31, 2014.

N/A - The North Regional Interceptor flows are no longer used in the billing computations in the Schedule of Allocation of Costs.

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS, ILLINOIS**

**Schedule of Allocation Costs  
December 31, 2018 (Unaudited)**

The agreement between the Villages of Lombard and Glen Ellyn for the purpose of jointly treating and processing wastewater requires certain information to accompany the annual financial statements. This information is from the Operating Sub-Fund. The combined data, including the Equipment Replacement and Working Cash Accounts, is part of the general purpose financial statements. Such required information for the year ended December 31, 2018, not included elsewhere in the accompanying financial statements follows:

1. Total Water Flow

Participant	Glenbard Plant	
	Gallons (in 000's)	Percent
Village of Lombard	2,672,566	58.79%
Village of Glen Ellyn	1,873,111	41.21%
	<u>4,545,677</u>	<u>100.00%</u>

2. Factors and Amounts Used in Computing Final Billing

A. Operating revenue and expenses, based on wastewater flow, were allocated among the operating facilities for the fiscal year ended December 31, 2018, as follows:

	<u>Operating Fund</u>
Operating Revenue	
Amounts Billed Prior to Billing Adjustments	\$ 4,381,400
Other Revenues	21,647
Adjustment	<u>(449,410)</u>
Operating Revenue Applicable to Operating Expenses	<u>3,953,637</u>
Operating Expenses	
Personnel Services	\$ 1,583,762
Contractual Services	
Maintenance	414,474
Service Charge	129,270
Sludge Removal	153,121
Utilities	672,769
Insurance	348,912
Other	183,330
Commodities	<u>467,999</u>
Total Operating Expenses	<u>3,953,637</u>

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS, ILLINOIS**

**Schedule of Allocation Costs – Continued  
December 31, 2018 (Unaudited)**

2. Factors and Amounts Used in Computing Final Billing – Continued

B. The allocation of operating expenses based on the wastewater flow of Glenbard Plant follows:

<u>Participant</u>	<u>Amount</u>	<u>Percent</u>
Village of Lombard	\$ 2,324,486	58.79%
Village of Glen Ellyn	1,629,151	41.21%
	<u>3,953,637</u>	<u>100.00%</u>

C. The computation of the billing adjustment for the fiscal year ended December 31, 2018 follows:

	<u>Village of Lombard</u>	<u>Village of Glen Ellyn</u>	<u>Totals</u>
Charges			
Total Operating Expenses (Depreciation Excluded)	\$ 2,324,486	1,629,151	3,953,637
Equipment Replacement Reserve	1,905,091	1,594,909	3,500,000
Total Operating Charges	<u>4,229,577</u>	<u>3,224,060</u>	<u>7,453,637</u>
Amount Billed	4,484,088	3,397,314	7,881,402
Plus: Credit for Other Revenues Received	12,726	8,919	21,645
Revenues Available to Offset			
Operating Changes	<u>4,496,814</u>	<u>3,406,233</u>	<u>7,903,047</u>
Amount Due from (to) Villages	<u>(267,237)</u>	<u>(182,173)</u>	<u>(449,410)</u>

**GLENBARD WASTEWATER AUTHORITY, GLEN ELLYN, ILLINOIS, ILLINOIS**

**Schedule of Allocation Costs – Continued  
December 31, 2018 (Unaudited)**

2. Factors and Amounts Used in Computing Final Billing – Continued

D. Amounts due from (to) the Village of Lombard and the Village of Glen Ellyn at December 31, 2018 are as follows:

Amounts Due from (to) Villages			
Billing Adjustment for the Fiscal Year Ended			
December 31, 2018 (as shown the prior page)	\$ (267,237)	(182,173)	(449,410)
Billing Adjustments:			
July 2018 to December 2018	111,708	(111,708)	-
Cumulative Balance Due from (to) Villages*	(155,529)	(293,881)	(449,410)

\*This balance is the end result of actual expenses compared to actual fiscal flow splits on an accrual basis after any necessary audit adjustments are made.

3. Total Revenue Billed and Received per Authority:

Participant	Amount Billed	Receivable (Payable) December 31, 2018	Receivable (Payable) December 31, 2017	Amount Received
Village of Lombard	\$ 4,484,086	(155,529)	(62,953)	4,391,510
Village of Glen Ellyn	3,397,314	(293,881)	(96,441)	3,199,874
	7,881,400	(449,410)	(159,394)	7,591,384

# **SECTION 8.0**

**COMMENTS BY GWA  
FULL BOARD  
CHAIRPERSON -  
PRESIDENT DIANE  
MCGINLEY – VILLAGE  
GLEN ELLYN**

## **SECTION 9.0**

**GWA PRESENTATION –  
MATT STREICHER  
EXECUTIVE DIRECTOR**



# Glenbard Wastewater Authority



Full Board Meeting Presentation  
November 12, 2019

Matt Streicher, P.E. BCEE  
Tom Romza, P.E.



# Talking Points

- Executive Oversight Committee Member Introductions
- Performance Statistics
- 2019/2020 Major Projects
- Operations & Maintenance Fund
- Capital Fund
- Budget Summary
- Action Requested



# Executive Oversight Committee Representatives



Diane McGinley - President  
Kelli Christiansen – Trustee  
Mark Franz – Manager  
Julius Hansen - Public Works Director

Keith Giagnorio - President  
Bill Ware – Trustee  
Scott Niehaus – Manager  
Carl Goldsmith - Public Works Director



# 2019 Key Performance Indicators

- **~ 3,911,8900 (3.9 Billion) Gallons Treated Through September 2019**
  - ✓ 5 Year Average = 3,501,000,000 (3.5 Billion) Gallons Treated Through September
- **39.83 Inches Total Rainfall Through September 2019**
  - ✓ 5 Year Average = 33.52 Inches Through September
- **Main Plant = No Permit Excursions**
  - ✓ Current Record – No Excursions Since 4/4/2013
- **Combined Sewer Outfall Facility = 0 Excursions**
  - ✓ Last Occurrence was an April 15, 2018 Wet Weather Event
- **No Lost Time Injuries Since 2013**
- **40 Odor Complaints Through October 2019**
  - ✓ 2017 Odor Complaints = 172 Through October 2017
  - ✓ 2018 Odor Complaints = 70 Through October 2018
  - ✓ Annual Average Previous to 2017 = 6



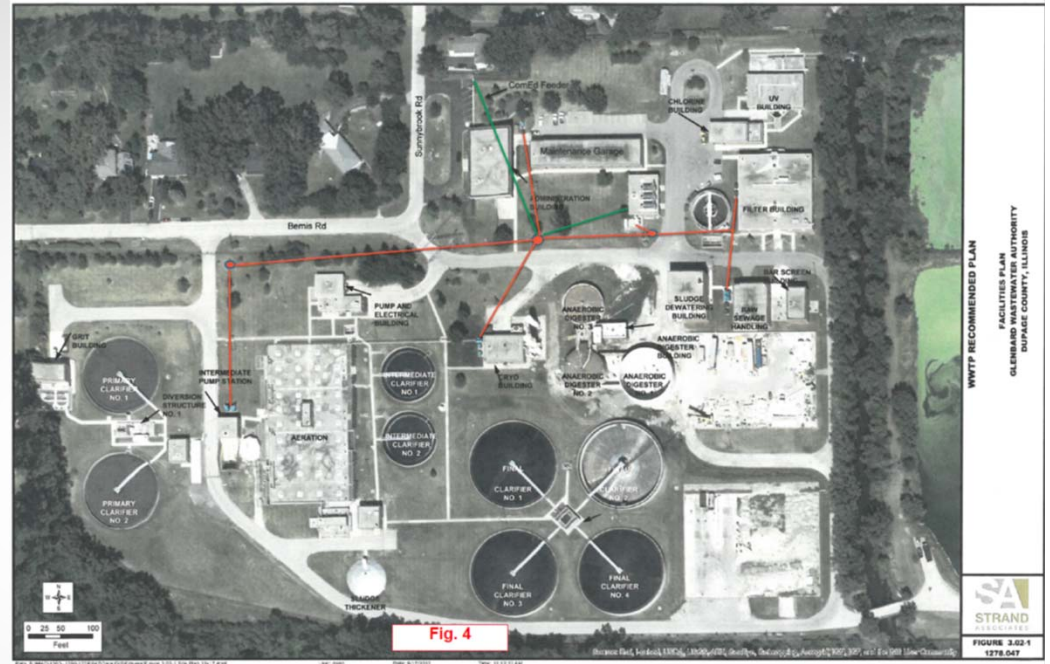
# Top CY2019 Capital Projects



Description	Project Budget Amount	Project Actual	\$ Over/Under Budget	Assumptions / Comments
Facility Improvement Project Construction	\$3,500,000	\$3,000,000	\$500,000	Contractor is not sticking to budget forecasts so this item has been difficult to accurately budget; Contractor caught up on past due work
Facility Imp. Project Construction Engineering	\$120,000	\$150,000	\$30,000	Consultant used remaining funds on existing project at the end of 2018, did not invoice through the majority of 2019, EOC approved \$300k amendment in October 2019 to catch up
Electric Service Distribution System Rehabilitation Project Engineering	\$250,000	\$145,500	\$104,500	Requests for Proposals were sent out in early 2018 to retain an Engineer for this project. The proposed fee came in less than what was budgeted and continued through CY2019.
Admin HVAC Construction	\$1,000,000	\$998,000	\$2,000	Requests for Proposals were sent out in early 2018 to retain an Engineer for this project. The project was bid out during summer of 2019 and came in slightly below budgeted price
Top 4 Large Projects	\$4,870,000	\$4,443,500	\$276,500	



# Top CY2020 Capital Projects



Description	Project Budget Amount	Assumptions / Comments
Facility Improvement Project Construction	\$2,500,000	The FIP Construction had a contractual completion date of 11/19/2019, but the actual completion date is anticipated to be closer to summer of CY2020, therefore remaining project costs have been moved into CY2020. This amount was derived from the budget forecast for the project, which the contractor has not kept up on well.
Facility Imp. Project Construction Engineering	\$150,000	Negotiations with the Engineer have revised the contract to extend to the new completion date of the FIP Construction with proper coverage
Electric Service Distribution System Rehabilitation Construction/Engineering	\$2,600,000	Design on this project fell far behind, and construction is now expected to be awarded in early CY2020
Administration Building HVAC Rehabilitation Construction/Engineering	\$998,000	The construction on this project was originally slated to start in CY19, but was delayed due to equipment lead times
Biosolids Dewatering Improvements Engineering	\$330,000	RFP's for design services are being sent out in late CY2019 so that design on the project may start soon into CY2020
Top Large Projects	\$6,578,000	



# JOIN US FOR OUR 1<sup>st</sup> EVER OPEN HOUSE



**SATURDAY, JUNE 1, 2019**

**FROM 9 A.M. TO NOON**

**GLENBARD WASTEWATER AUTHORITY  
945 BEMIS ROAD, GLEN ELLYN  
(1 block East of Route 53)**

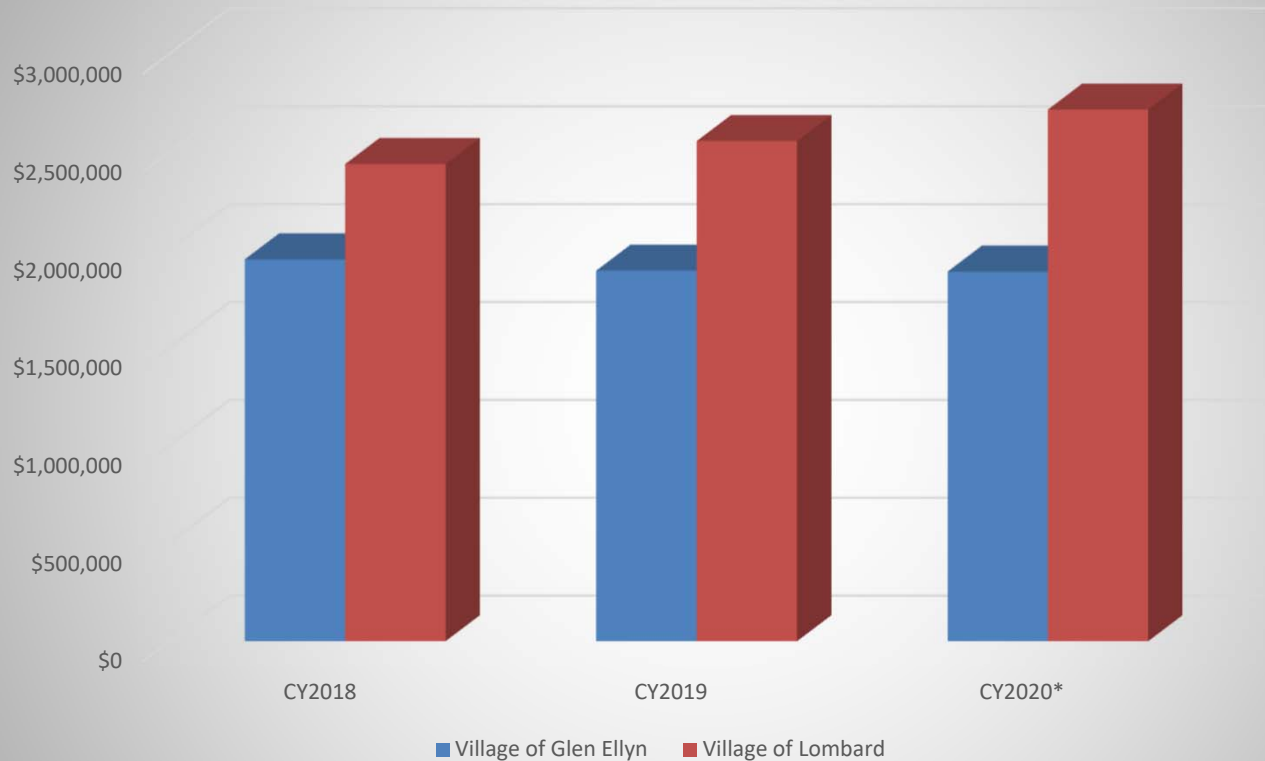
*Join us for this unique opportunity to see firsthand how your local  
wastewater treatment plant operates!*

*Tours start @9a.m. and will be every half hour until 11:30am  
Residents/homeowners, students, scout groups and the general public  
are all welcome. Admission is free! Refreshments Provided.  
Please RSVP for groups larger than 10 individuals*

FOR MORE INFORMATION, CALL 630-790-1901 OR VISIT  
[WWW.GBWW.ORG](http://WWW.GBWW.ORG).



# Partner Allocations Operation & Maintenance



	<b>CY2018</b>	<b>CY2019</b>	<b>CY2020*</b>
<b>Village of Glen Ellyn</b>	\$1,949,755	\$1,892,192	\$1,887,319
<b>Village of Lombard</b>	\$2,436,645	\$2,553,748	\$2,714,775
<b>Total Allocations</b>	<b>\$4,386,400</b>	<b>\$4,445,940</b>	<b>\$4,602,094</b>

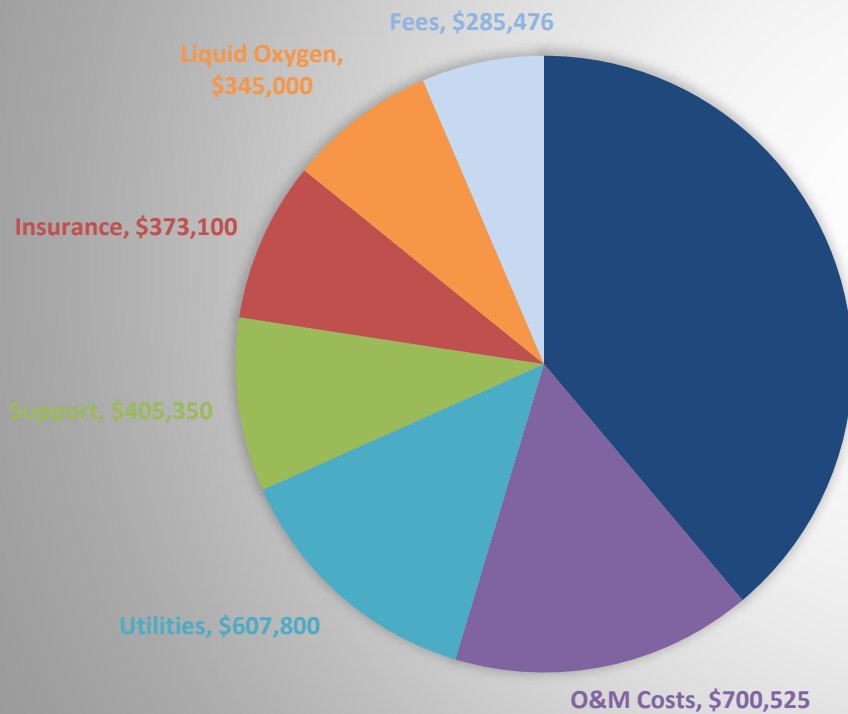
\* - Budgeted



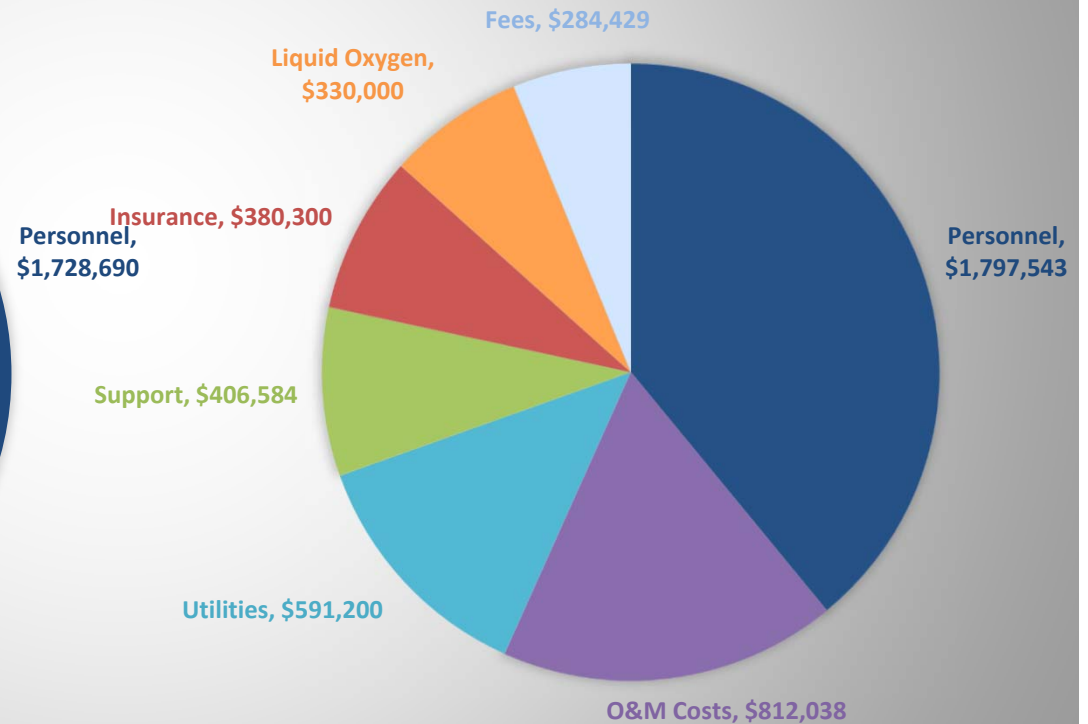


# O&M Expense Tracking

## CY2019 O&M EXPENSES



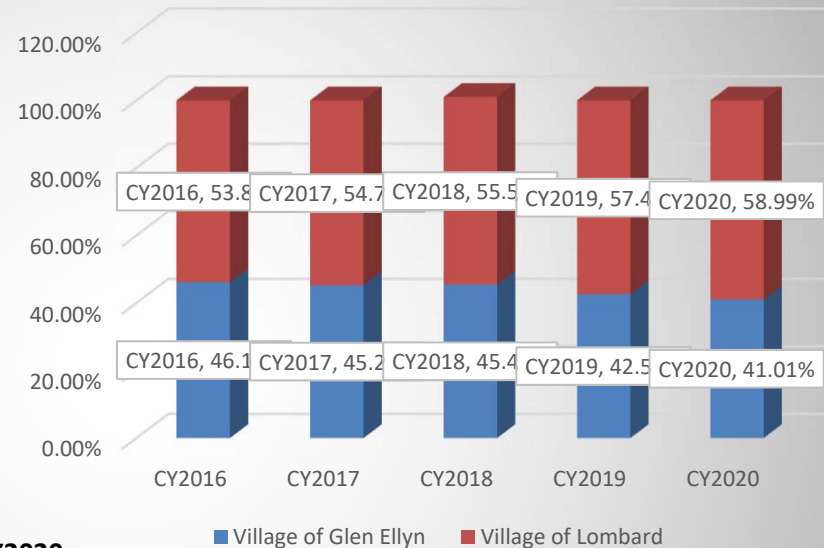
## CY2020 O&M EXPENSES





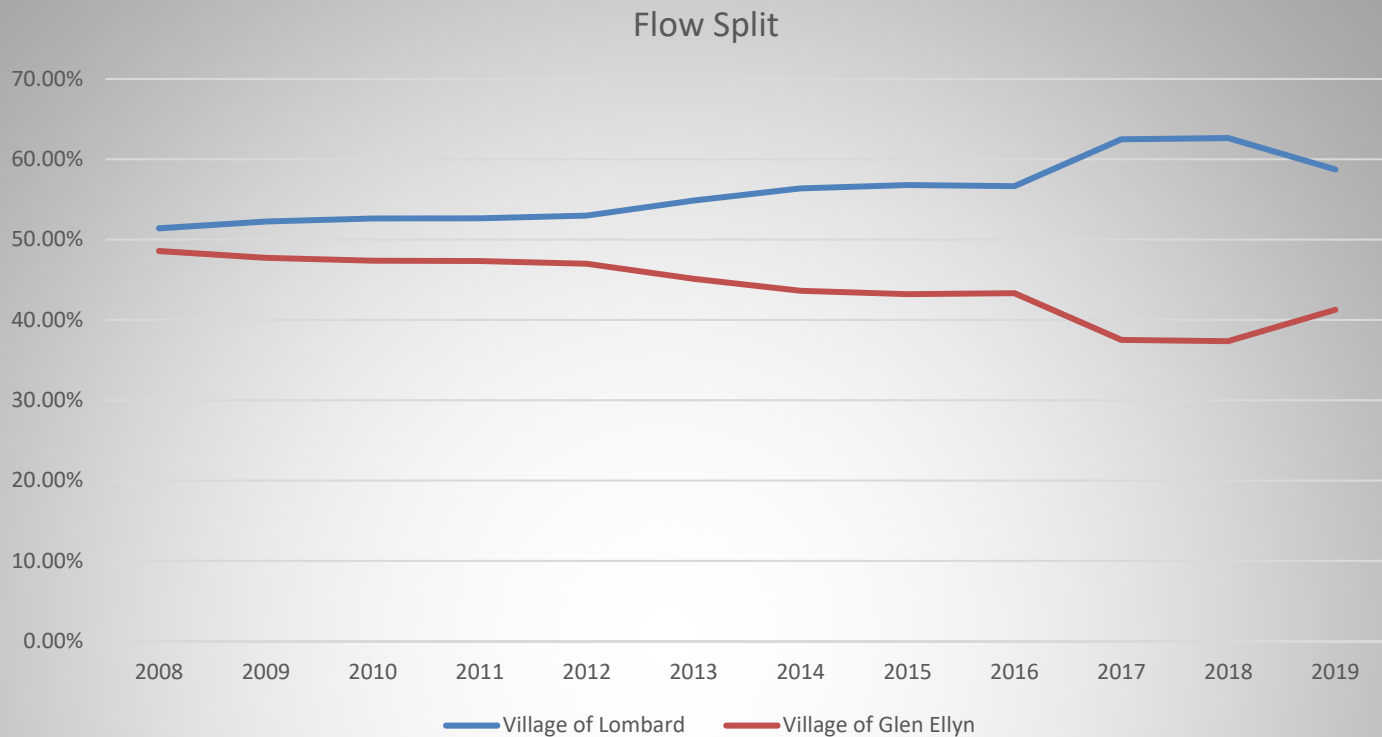
# Operation & Maintenance Flow Drives Partner Allocations

The previous 5 year average flow splits are used to calculate the budgeted percentage of partner allocations. True ups are twice per budget year based on **actual** flow bills submitted monthly to each Member Village.



	CY2016	CY2017	CY2018	CY2019	CY2020
Village of Glen Ellyn	46.16%	45.25%	45.45%	42.56%	41.01%
Village of Lombard	53.84%	54.75%	55.55%	57.44%	58.99%

	Actual CY2018	Budgeted CY2019	Estimated CY2019	Budgeting CY2020
<b>Operation/Maintenance</b>				
450010 Glen Ellyn Share - 41.01%	\$1,620,232.25	\$1,887,936.28	\$1,751,093.42	\$1,883,217.74
450015 Lombard Share - 58.99%	\$2,311,757.89	\$2,548,004.22	\$2,684,847.58	\$2,708,876.24
Partners Allocation	\$3,931,990.14	\$4,435,940.50	\$4,435,941.00	\$4,592,093.98
<b>Interst Income - O&amp;M Fund</b>	<b>\$21,559.57</b>	<b>\$10,000.00</b>	<b>\$28,500.00</b>	<b>\$10,000.00</b>
<b>Misc. Revenue</b>	<b>\$87.82</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>IRMA Reimbursement</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>DIVISION 270</b>	<b>\$3,953,637.53</b>	<b>\$4,445,940.50</b>	<b>\$4,464,441.00</b>	<b>\$4,602,093.98</b>

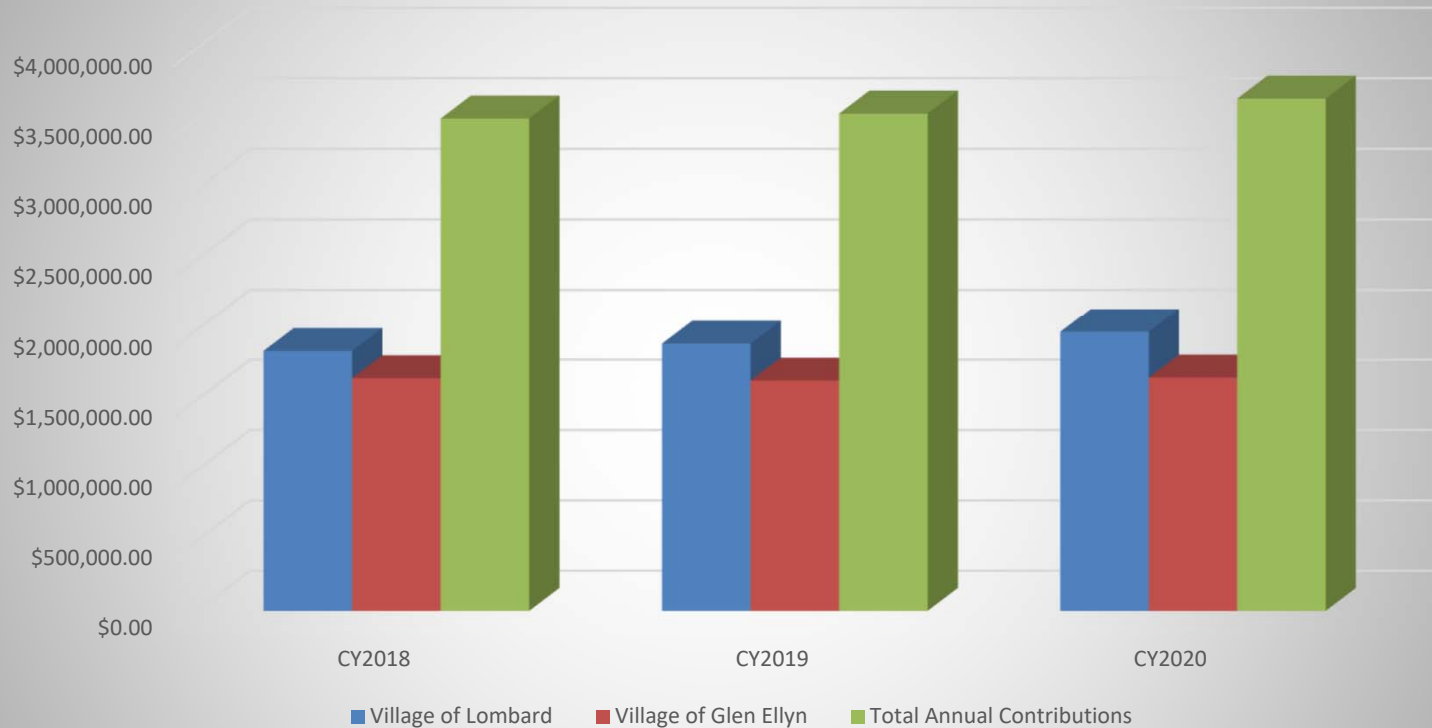


### Factors That Affect Flow Split

- Illinois American Water Valley View Subdivision Rehabilitation (2014)
- Inflow and Infiltration Reduction Efforts
- Additional/Increased Development
- Flow Metering Equipment/Service Provider
- Precipitation Amounts and Distributions
  - Combined/Separate System



# Capital Fund 40 Contributions



	CY2018	CY2019	CY2020
<b>Village of Lombard</b>	\$1,847,125.00	\$1,899,002.00	\$1,984,190.00
<b>Village of Glen Ellyn</b>	\$1,652,875.00	\$1,635,998.00	\$1,656,860.00
<b>Total Annual Contributions</b>	<b>\$3,500,000.00</b>	<b>\$3,535,000.00</b>	<b>\$3,641,050.00</b>





# Proposed Partner Allocations

<b>PROPOSED CY2020 PARTNERS ALLOCATION</b>					
			LOMBARD	GLEN ELLYN	TOTAL
Fund 27 -- Operation & Maintenance Fund			2,708,876	1,883,218	4,592,094
	<b>TOTAL O&amp;M BUDGET</b>		<b>2,708,876</b>	<b>1,883,218</b>	<b>4,592,094</b>
	<b>CAPITAL EQUIPMENT REPLACEMENT FUND</b>		<b>1,984,190</b>	<b>1,656,860</b>	<b>3,641,050</b>
	<b>TOTAL O&amp;M AND CAPITAL BUDGETS</b>		<b>4,693,066</b>	<b>3,540,078</b>	<b>8,233,144</b>
<b>Proposed CY2020 Partners Allocation Compared to Approved Expenses Allocated to Partners CY2019:</b>					
	<b>Operation &amp; Maintenance</b>	\$	<b>\$160,872</b>	<b>(\$4,719)</b>	<b>\$156,153</b>
		%	<b>6.3%</b>	<b>-0.2%</b>	<b>3.5%</b>
	<b>Capital Improvements</b>	\$	<b>\$85,188</b>	<b>\$20,862</b>	<b>\$106,050</b>
		%	<b>4.5%</b>	<b>1.3%</b>	<b>3.0%</b>
	<b>Total O&amp;M and Capital Budgets</b>	\$	<b>246,060</b>	<b>16,143</b>	<b>262,203</b>
		%	<b>5.5%</b>	<b>0.5%</b>	<b>3.3%</b>



## Action Requested This Evening

The Glenbard Wastewater Authority Staff and the EOC kindly requests the Board of Directors of the Glenbard Wastewater Authority to approve the proposed  
CY2020 Budget in the amount of \$**14,535,259.**





# **SECTION 10.0**

## **PROPOSED CY2020 BUDGET APPROVAL**

An aerial photograph of a wastewater treatment plant. The facility features several large, circular aeration tanks with mechanical scrapers, several industrial buildings with flat roofs, and various pipes and walkways. The plant is situated in a green, wooded area with residential houses visible in the background. The text "Glenbard Wastewater Authority CY2020 Budget" is overlaid in the upper center of the image in a blue, outlined font.

**Glenbard  
Wastewater  
Authority  
CY2020 Budget**

October 2, 2019

President Diane McGinley and  
Members of the Glenbard Wastewater Authority Board  
Glen Ellyn, Illinois 60137

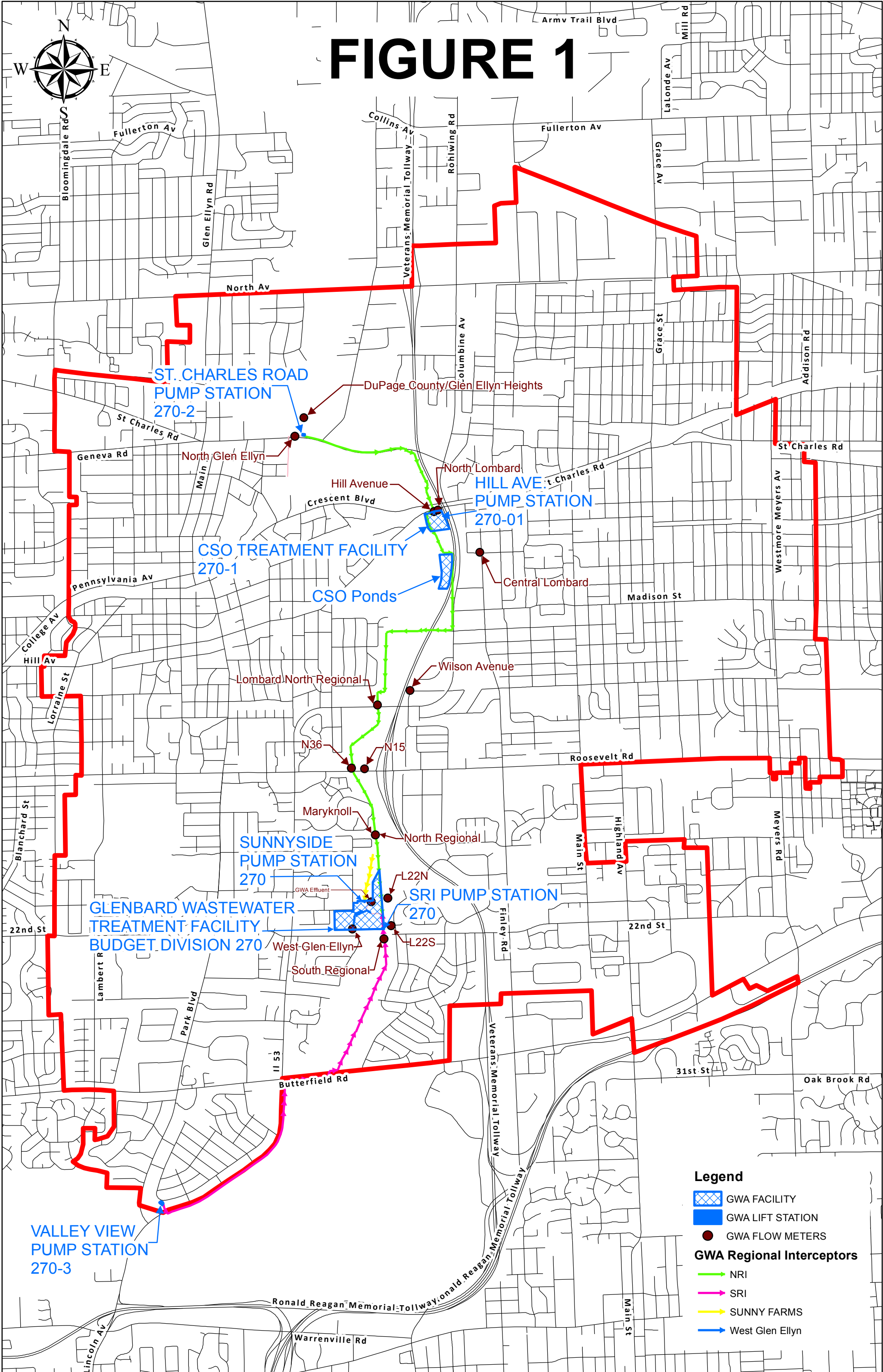
Subject: January 1, 2020 - December 31, 2020 Glenbard Wastewater Authority  
Budget (CY2020)

I am pleased to present for your review and consideration the proposed Glenbard Wastewater Authority (Authority) CY2020 Budget. The Glenbard Team, with the help of the Village Managers, Public Works Directors, and Finance Directors developed the proposed budget that is being recommended for approval to the Glenbard Wastewater Authority Board. The proposed CY2020 partner allocation shows an overall increase of \$262,203 3.3% compared to the approved CY2019 budget. The budget reflects a substantial capital improvement plan with the continuation of the Facility Improvements Project construction. The most significant moderate-sized project is the design engineering for the new electrical distribution grid. Smaller projects include equipment rehabilitation and replacement, small capital projects, and minor infrastructure upgrades. The Facility Improvements Project construction expenses are scheduled to be offset with a loan through the IEPA Clean Water Initiative supported by Governor Rauner at a low interest rate of 1.75%. The proposed budget includes funding that will assure continued plant operation that exceeds regulatory standards resulting in improved water quality of the East Branch of the DuPage River.








## **BACKGROUND**

**REGIONALIZATION** -- The Illinois Pollution Control Board required regionalization of wastewater treatment facilities in 1974 by creating Facility Planning Areas (FPA). The Glenbard FPA, Region IV-B, originally contained 14,000 acres or 22 square miles and has been amended several times by Glen Ellyn and Lombard and now appears to contain approximately 14,157 acres or 22 ¼ square miles. Recommendations for FPA amendments are made to the Villages by the EOC and are usually done to add small adjacent areas. On occasion small adjacent areas are lost to other FPA's. As of October 2018, the Glenbard FPA contains a population equivalent (P.E.) of 107,708 which is an increase of 1,056 (P.E.) from October, 2017. The FPA is projected to contain a P.E. of 109,125 when fully developed. Figure 1 shows the FPA map with the individual components of the Authority.

# FIGURE 1



### Legend

-  GWA FACILITY
-  GWA LIFT STATION
-  GWA FLOW METERS
- GWA Regional Interceptors**
-  NRI
-  SRI
-  SUNNY FARMS
-  West Glen Ellyn

FACILITIES -- The Glenbard Wastewater Authority was created in 1977 by an intergovernmental agreement between the Village of Lombard and the Village of Glen Ellyn for the purpose of jointly constructing and operating advanced wastewater treatment facilities. The new facilities opened in 1982 and operate 24 hours per day 365 days per year.

The major components of the Authority, as depicted in Figure 1, are the 16.02 MGD (Million Gallons per Day) Glenbard Advanced Wastewater Treatment Facilities, the SRI Lift Station, the Sunnyside Lift Station, the 58.0 MGD Stormwater Plant, the Hill Avenue Lift Station, the North Regional Interceptor (NRI), the St. Charles Road Lift Station, the South Regional Interceptor (SRI), and the Valley View Lift Station.

The Glenbard Advanced Wastewater Treatment Facility is designed to provide Wastewater Treatment to an average flow of 16.02 MGD of domestic wastewater utilizing activated sludge with High Pure Oxygen. The plant utilizes a Supervisory Control and Data Acquisition (SCADA) system which enables the plant to run unmanned during off hours.

The Glenbard Wastewater Authority Stormwater Plant is an excess flow treatment plant that accepts combined sanitary and storm sewer from the Village of Lombard.

In addition to receiving flow from Glen Ellyn and Lombard the Authority also treats flow from the Illinois-American Water Company, a private utility company in the Valley View/Butterfield area, and from DuPage County, in the Glen Ellyn Heights area.

COST -- The grant eligible planning, design and construction costs of the new facilities totaled \$42.6 million dollars in 1982. The individual components and costs are the Glenbard Advanced Treatment Facility at \$27.2 million dollars, the Glenbard Wastewater Authority Stormwater Plant at \$5.6 million dollars, the North Regional Interceptor (NRI) at \$7.2 million dollars, and the South Regional Interceptor (SRI) at \$2.6 million dollars. The design grant was applied for in 1974, and the construction grant was awarded in 1977. The United States Environmental Protection Agency (USEPA) contributed \$32.0 million dollars toward construction. Lombard and Glen Ellyn contributed \$10.6 million. Glen Ellyn, as lead agency, was the recipient of the USEPA funds and administered the federal grant application, processing, and close out. The USEPA grant was closed-out in January of 1990.

REGULATION -- The Glenbard Wastewater Treatment Plant treats approximately 3.5 - 5.5 billion gallons of wastewater (depending on the amount of rain) annually which is discharged to the East Branch of the DuPage River. The Illinois Environmental Protection Agency (IEPA), through a National Pollutant Discharge Elimination System (NPDES) permit, regulates the discharge parameters.

## **AUTHORITY ORGANIZATION**

**AUTHORITY BOARD** - The Board of Trustees from the Villages of Lombard and Glen Ellyn govern the Authority. The primary tasks of the Authority Board are to approve an annual budget and audit. Other major responsibilities are to amend the 2014 Intergovernmental Agreement and pass other resolutions as needed. The Board generally meets once a year.

**EXECUTIVE OVERSIGHT COMMITTEE** - The Executive Oversight Committee (EOC) was formed in 1984. The EOC is currently composed of the Village Presidents of Lombard and Glen Ellyn, a Trustee from each Village who is appointed by the respective Village President, the Village Managers from Lombard and Glen Ellyn, and the Public Works Director from each village. The EOC meets once a month or when necessary and has the primary responsibilities to set the strategic vision, review and approve all borrowing, contracts and expenditures, recommend FPA amendments, review the audit, and recommend an annual budget.

**OPERATING "LEAD" AGENCY** - The Village of Glen Ellyn is the operating or "lead" agency for the Authority and provides overall supervision, accounting, personnel, and other management services on a contractual basis for the Authority.

**PERSONNEL** – The day-to-day operation of the facilities is overseen by the Authority's Executive Director who is appointed and approved by the Executive Oversight Committee. A preliminary budget allotment of 18.75 highly qualified individuals who are employed with the Authority. Seventeen (17) employees work full-time while another seven (7) work part-time. Eleven employees are certified by the Illinois Environmental Protection Agency in wastewater treatment operations, and eight (8) of those eleven (11) employees hold Class I certificates, the highest certification possible within the State of Illinois.

## **BUDGET ORGANIZATION**

The Authority has adopted a calendar year budget to coincide with a January 1<sup>st</sup> to December 31<sup>st</sup> budget year consistent with the lead agency, the Village of Glen Ellyn. Most of the revenues for Authority operations are derived through monthly payments from the two Villages. Additional revenue is realized from connection fees collected on new structures built in the service area, landfill leachate treatment, high strength waste collection, cellular tower land lease agreements and interest income. There are two major funds: Operations and Maintenance (Fund 270) and the Capital Fund (Fund 40).

Div. 270 - Glenbard Plant (SRI Lift Station & Sunnyside Lift Station)  
includes:

- 270-1 – Glenbard Stormwater Plant (Hill Avenue Lift Station)
- 270-2 – North Regional Interceptor (St. Charles Lift Station)
- 270-3 – South Regional Interceptor (Valley View Lift Station)

The following is the fund allocation of the Capital fund:

Fund 40 - Equipment Replacement Fund

**OPERATION AND MAINTENANCE (O&M) DIVISION**

The O&M division records those transactions that are related to the daily operation and maintenance of the Authority. Operations are defined as the control of the treatment processes and equipment that make up the treatment works. This includes personnel management, equipment operation and monitoring, record keeping, laboratory, process control, solids handling, safety and emergency operation planning.

Maintenance is defined as the preservation of functional integrity of equipment and structures. This includes preventive, predictive, and corrective maintenance. The Operations and Maintenance Budget Revenue is allocated to Division 270 with Operations and Maintenance Budget Expenses tracked as follows:

Division	<b>Estimated CY2019</b>	<b>Proposed CY2020</b>
270 - Glenbard Plant	\$4,211,362	\$4,406,294
SRI L.S		
Sunnyside L.S		
270-1 - Stormwater Plant	\$ 132,094	\$ 140,600
Hill Ave. L.S		
270-2 - N. Reg. Int.	\$ 31,853	\$ 33,000
St. Charles Rd. L.S		
270-3 - S. Reg. Int.	\$ 26,746	\$ 22,200
Valley View L.S		
	-----	-----
	\$4,402,055	\$4,602,094

### Cash Reserves / Working Cash

#### FY 2019

Cash Reserves at January 1, 2019	<u>1,573,861</u>
FY19 Projected Surplus/(Deficit)	<u>62,386</u>
Projected Cash Reserves at December 31, 2019	<u>1,636,247</u>
Less: Estimated Encumbrances at December 31, 2019	<u>0</u>
Projected Working Cash at December 31, 2019	<u>1,636,247</u>
Less: FY19 Required Minimum Working Cash	<u>(1,111,485)</u>
<b>Projected Working Cash Surplus at December 31, 2019</b>	<b><u><u>524,762</u></u></b>

### Cash Reserves / Working Cash

#### FY 2020

Projected Cash Reserves at December 31, 2019	<u>1,636,247</u>
FY20 Projected Surplus/(Deficit)	<u>0</u>
Projected Cash Reserves at December 31, 2020	<u>1,636,247</u>
Less: Estimated Encumbrances at December 31, 2020	<u>0</u>
Projected Working Cash at December 31, 2020	<u>1,636,247</u>
Less: FY19 Required Minimum Working Cash	<u>(1,150,524)</u>
<b>Projected Working Cash Surplus at December 31, 2020</b>	<b><u><u>485,724</u></u></b>

\* 25% of FY19 Operating Expenses of \$4,445,941

\*

\* 25% of FY20 Operating Expenses of \$4,602,094



The seven most significant cost centers in the proposed CY2020 O&M budget are as follows:

1. **Personnel:** The CY2020 proposed GWA team level is at 18.75 full time equivalents (FTE). Personnel costs for the past twenty years of full-time equivalent staff are shown below. SY14 figures indicate expenses for only 8 months due to transitioning to a calendar year in 2015. The figures are indicative of the efficiencies realized through the elimination of multiple shifts, automation and monitoring, and other optimization measures:

	<u>Budget</u>	<u>Actual</u>	<u>FTE</u>
FY98	\$1,433,080	\$1,212,197	27.5
FY99	\$1,286,970	\$ 981,950	25.0
FY00	\$1,074,863	\$ 837,826	20.0
FY01	\$ 897,041	\$ 720,472	18.3
FY02	\$ 882,500	\$ 806,680	17.9
FY03	\$ 936,000	\$ 919,780	17.0
FY04	\$ 979,600	\$ 974,996	16.8
FY05	\$1,065,500	\$1,120,334	15.9
FY06	\$1,163,100	\$1,127,850	15.9
FY07	\$1,219,100	\$1,140,272	15.9
FY08	\$1,254,550	\$1,112,348	14.9
FY09	\$1,197,300	\$1,102,174	14.3
FY10	\$1,235,100	\$1,188,486	15.8
FY11	\$1,328,200	\$1,308,850	15.8
FY12	\$1,372,900	\$1,314,985	15.8
FY13	\$1,368,150	\$1,306,959	15.8
FY14	\$1,410,000	\$1,373,903	15.8
SY14	\$1,066,800	\$1,012,932	17.8
CY15	\$1,555,700	\$1,545,123	17.8
CY16	\$1,619,400	\$1,570,642	18.8
CY17	\$1,647,000	\$1,583,225	18.8
CY18	\$1,612,000	\$1,583,762	18.8
CY19	\$1,728,690	\$1,769,960	18.8 (Estimated)
CY20	\$1,797,543		18.8

2. **O&M:** Expenses are budgeted in the amount of \$812,038. This includes electrical, mechanical, operational, laboratory and administrative operation and maintenance of plant equipment and the maintenance of buildings and grounds. It is imperative that the capital investment that the Villages have made in their wastewater facility be operated and maintained appropriately. These funds, coupled with those in Fund 40 allocated to Plant Equipment Rehabilitation, provide an excellent plan to operate and maintain the Glenbard Plant process equipment. Maintenance funds cover both routine and non-routine repairs.

3. **Utilities:** Electric power, natural gas, water, and telecommunications comprise Utilities, the third largest cost center in the O&M budget. The sum of these utility costs is shown below. The largest component of the utility bill is electrical power used for pumping systems, mixing, and various in-plant processes.

	<u>Actual</u>
FY05	\$606,375
FY06	\$588,400
FY07	\$693,128
FY08	\$1,194,869
FY09	\$769,137
FY10	\$873,093
FY11	\$976,915
FY12	\$1,163,751
FY13	\$752,600
FY14	\$799,084
SY14	\$560,071 (8 Month Budget)
CY15	\$760,826
CY16	\$1,023,100
CY17	\$645,708
CY18	\$672,769
CY19	\$737,405 (Estimated)
CY20	\$591,200 (Budgeted)

4. **Support Services:** The following are budgeted as support for each of the specific disciplines; Operations, Maintenance, Maintenance Building and Grounds, and Electrical. The CY2020 budget is proposed at a cumulative amount of \$406,584. This includes the cost of specialized support services that are more effectively and/or efficiently purchased or contracted than completed internally. Support Services range from \$200 per year for software support to \$122,000 per year which includes upgraded flow meters, data analysis and meter maintenance fees.
5. **Insurance:** Expenses are budgeted in the amount of \$380,300 for Liability and Health. This number represents all insurance required for the Authority's daily business.
6. **Liquid Oxygen:** The newer process of having liquid oxygen delivered versus producing it onsite provides the Authority with flexibility to operate the biological process with lower dissolved oxygen levels which translate into saving cost on liquid hauling. The budget amount for this line item is \$330,000.
7. **Fees:** Expenses are budgeted in the amount of \$284,429. Fees include payments for service, memberships, or regulatory fees during CY2020.

## **CAPITAL FUND**

This fund records those transactions that are related to the capital expenditures of the Authority. Capital can be spent on replacing “like for like” equipment at its useful life or for upgrading old processes to new technology.

The revenue for the capital plan is funded via the following components: equipment replacement fund, interest earned in the Capital and O&M funds, sanitary sewer/GWA connection fees paid to both Villages, landfill leachate treatment, cell tower revenues, miscellaneous revenues and borrowing.

	<b>Estimated</b>	<b>Proposed</b>
	<b>CY2019</b>	<b>CY2020</b>
Fund 40 – Equip. Replacement		
Debt Payment	\$ 637,001	\$ 1,631,731
Project Expenses	\$ 5,101,990	\$ 7,801,434
Property Acquisition	<u>\$ 450,000</u>	<u>\$ 500,000</u>
Total	\$ 6,188,991	\$ 9,933,165

Proposed CY2020 capital expenses of \$9,933,165 are 11.57% or \$1,030,164 higher than the CY2019 budgeted capital expenses of \$8,903,001. The increase reflects the upcoming projects along with that were deferred or removed from the previous year and are now scheduled to occur in CY2020.

## **ALLOCATION OF EXPENSES**

The Villages of Lombard and Glen Ellyn split the expenses for system operation and maintenance according to wastewater flows contributed by each partner based on the previous five (5) year average.

A total of 17 remote meters are located at key points in the Authority’s system to enable the Authority to monitor flows which are allocated for billing purposes between the Villages of Lombard and Glen Ellyn. The Flow Meters also identify the flows associated with non-member entities such as DuPage County located on the North side of the GWA Facility Planning Area, and Illinois American Water Company located on the South side of the GWA Facility Planning Area.

In CY2020 a five-year average flow split of 41.01% (Glen Ellyn) and 58.99% (Lombard) is being utilized to estimate the expense allocations for the Wastewater Treatment Facilities. The true ups during the budget year will adjust the members budgeted portions as the flow splits become actual.

The CY2020 budget is inclusive of O&M Division 270 with expense allocation tracking for all facilities. Glen Ellyn recoups some of their operating costs through billings to DuPage County and Illinois-American Water Company.

The *Total O&M Budget Allocation* estimates are as follows:

	<b>Budgeted CY2019</b>	<b>Proposed CY2020</b>
Village of Lombard	\$2,548,004	\$2,708,876
Village of Glen Ellyn	<u>\$1,887,936</u>	<u>\$1,883,218</u>
<i>Total</i>	<b><i>\$4,435,941</i></b>	<b><i>\$4,592,094</i></b>

The overall O&M contribution by the two Villages has increased by \$156,153 or 3.5% more than the CY2019 budget. The allocation to the Villages for the support of the O&M portion of the budget is \$4,592,094. The allocation to the Villages for support of the proposed Capital Fund is \$3,641,050.

### **CONCLUSION**

The total proposed CY2019 budget and comparisons are as follows:

	<b>Budgeted CY2019</b>	<b>Proposed CY2020</b>
O&M	\$ 4,445,941	\$ 4,602,094
Capital	<u>\$ 9,023,000</u>	<u>\$ 9,933,165</u>
Total	\$13,468,641	\$14,535,259

Respectfully Submitted,



Matt Streicher, P.E. BCEE  
Executive Director  
Glenbard Wastewater Authority

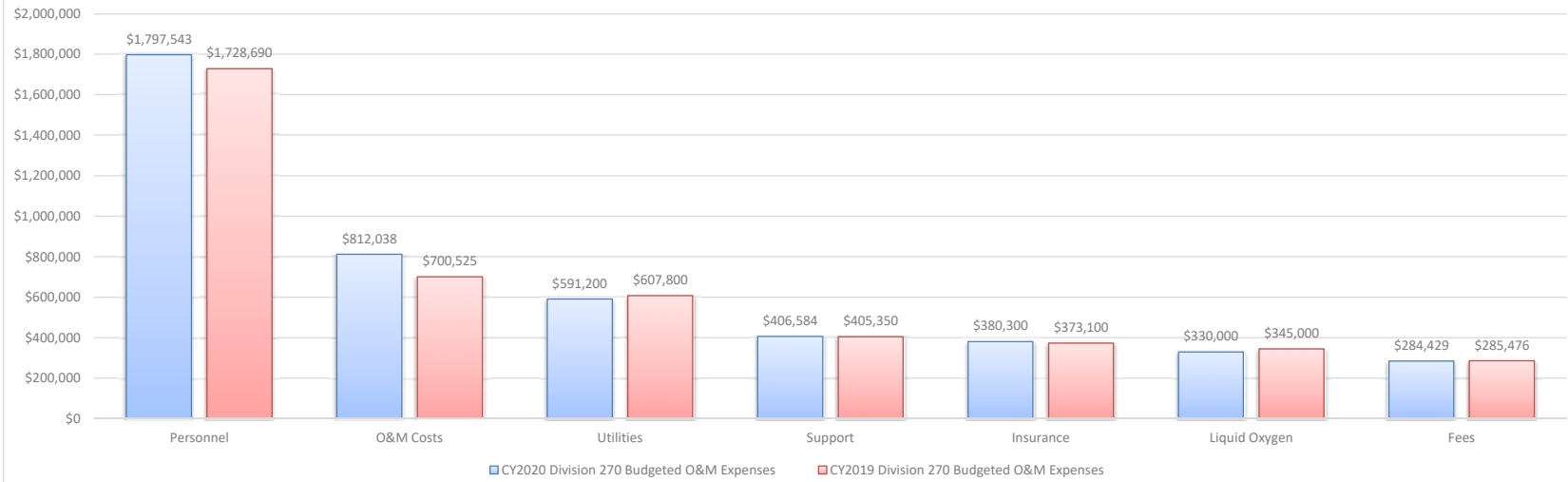
Glenbard Wastewater Authority  
 Budget CY2020  
 All Funds  
 Expense Allocation to Partners

<b>APPROVED CY2019 EXPENSES ALLOCATED TO PARTNERS</b>			
	LOMBARD	GLEN ELLYN	TOTAL
Fund 27 -- Operation & Maintenance Fund	2,548,004	1,887,936	4,435,941
<b>TOTAL O&amp;M BUDGET</b>	<b>2,548,004</b>	<b>1,887,936</b>	<b>4,435,941</b>
<b>CAPITAL EQUIPMENT REPLACEMENT FUND</b>	<b>1,899,002</b>	<b>1,635,998</b>	<b>3,535,000</b>
<b>TOTAL O&amp;M AND CAPITAL BUDGETS</b>	<b>4,447,006</b>	<b>3,523,934</b>	<b>7,970,941</b>
<b>ESTIMATED ACTUAL CY2019 EXPENSES ALLOCATED TO PARTNERS</b>			
	LOMBARD	GLEN ELLYN	TOTAL
Div. 270 -- Glenbard Plant / SRI L.S. / Sunnyside L.S.	2,305,721	1,905,641	4,211,362
270-1 -- Stormwater Plant / Hill Ave L.S.	72,321	59,772	132,094
270-2 -- North Reg. Int. / St. Charles Rd. L.S.	17,439	14,413	31,853
270-3 -- South Reg. Int. / Valley View L.S.	14,643	12,103	26,746
<b>TOTAL O&amp;M BUDGET</b>	<b>2,410,125</b>	<b>1,991,930</b>	<b>4,402,055</b>
<b>CAPITAL EQUIPMENT REPLACEMENT FUND</b>	<b>1,899,002</b>	<b>1,635,998</b>	<b>3,535,000</b>
<b>TOTAL O&amp;M AND CAPITAL BUDGETS</b>	<b>4,309,127</b>	<b>3,627,928</b>	<b>7,937,055</b>
<b>CY2018 BUDGET OVER (UNDER)</b>	<b>(137,879)</b>	<b>103,994</b>	<b>(33,886)</b>
<b>PROPOSED CY2020 PARTNERS ALLOCATION</b>			
	LOMBARD	GLEN ELLYN	TOTAL
Fund 27 -- Operation & Maintenance Fund	2,708,876	1,883,218	4,592,094
<b>TOTAL O&amp;M BUDGET</b>	<b>2,708,876</b>	<b>1,883,218</b>	<b>4,592,094</b>
<b>CAPITAL EQUIPMENT REPLACEMENT FUND</b>	<b>1,984,190</b>	<b>1,656,860</b>	<b>3,641,050</b>
<b>TOTAL O&amp;M AND CAPITAL BUDGETS</b>	<b>4,693,066</b>	<b>3,540,078</b>	<b>8,233,144</b>
<b>Proposed CY2020 Partners Allocation Compared to Approved Expenses Allocated to Partners CY2019:</b>			
Operation & Maintenance	\$ 160,872	(\$4,719)	\$156,153
	% 6.3%	-0.2%	3.5%
Capital Improvements	\$ 85,188	\$20,862	\$106,050
	% 4.5%	1.3%	3.0%
<b>Total O&amp;M and Capital Budgets</b>	<b>\$ 246,060</b>	<b>16,143</b>	<b>262,203</b>
	<b>% 5.5%</b>	<b>0.5%</b>	<b>3.3%</b>

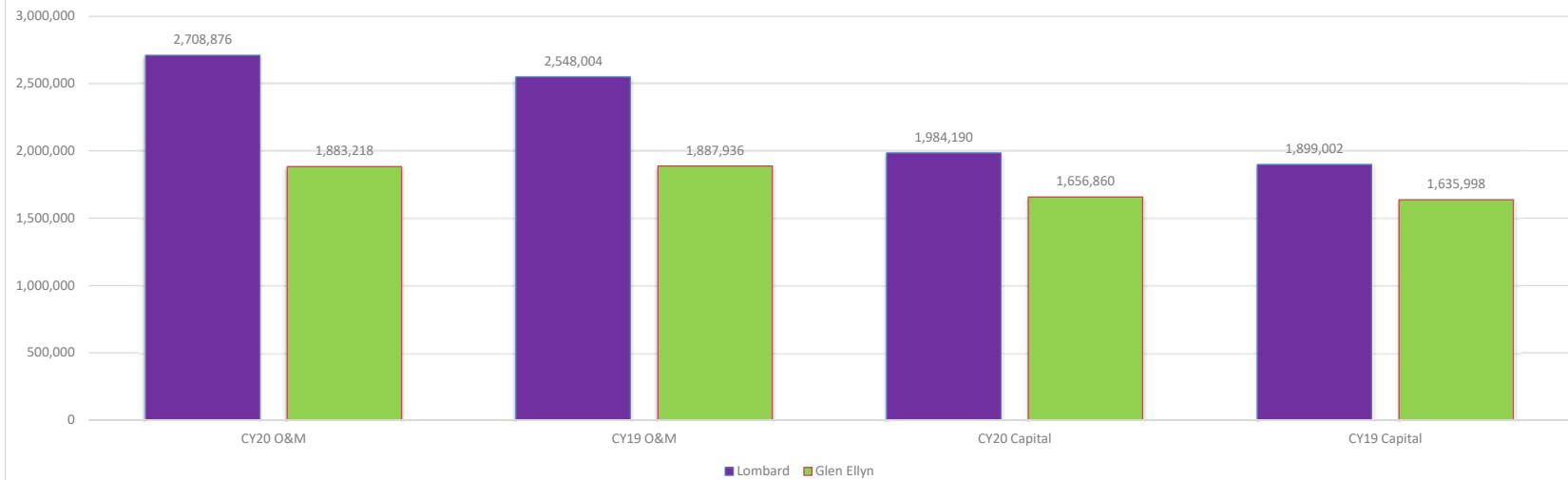
<b>Glenbard Wastewater Authority</b>				
<b>Budget CY2020</b>				
<b>SUMMARY BY DIVISION</b>				
<b>Operations &amp; Maintenance</b>				
Expense Allocation to Partners	<b>Actual</b>	<b>Budgeted</b>	<b>Estimated</b>	<b>Budgeting</b>
<b>REVENUES</b>	<b>CY2018</b>	<b>CY2019</b>	<b>CY2019</b>	<b>CY2020</b>
Div. 270 -- Glenbard Wastewater Authority	3,931,990	4,435,941	4,435,941	4,592,094
<b>Interest O&amp;M Fund</b>	<b>21,560</b>	<b>10,000</b>	<b>28,500</b>	<b>10,000</b>
<b>Miscellaneous Revenue</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IRMA Reimbursement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Revenues</b>	<b>3,953,638</b>	<b>4,445,941</b>	<b>4,464,441</b>	<b>4,602,094</b>
<b>EXPENSES</b>				
	<b>Actual</b>	<b>Budgeted</b>	<b>Estimated</b>	<b>Budgeting</b>
	<b>CY2018</b>	<b>CY2019</b>	<b>CY2019</b>	<b>CY2020</b>
Div. 270 -- Glenbard Plant / SRI L.S. / Sunnyside L.S.	3,794,607	4,248,691	4,211,362	4,406,294
270-1 -- Stormwater Plant / Hill Ave L.S.	121,864	142,100	132,094	140,600
270-2 -- North Reg. Int. / St. Charles Rd. L.S.	24,671	32,950	31,853	33,000
270-3 -- South Reg. Int. / Valley View L.S.	12,495	22,200	26,746	22,200
<b>Total O&amp;M Expense:</b>	<b>3,953,637</b>	<b>4,445,941</b>	<b>4,402,055</b>	<b>4,602,094</b>
<b>Village of Glen Ellyn O&amp;M Expenditures</b>	<b>1,757,392</b>	<b>1,892,192</b>	<b>1,873,515</b>	<b>1,887,319</b>
<b>Village of Lombard O&amp;M Expenditures</b>	<b>2,196,245</b>	<b>2,553,748</b>	<b>2,528,540</b>	<b>2,714,775</b>
<b>Budget (Over) Under</b>	<b>0</b>	<b>0</b>	<b>62,386</b>	<b>0</b>
<b>Use of Available Cash</b>				

<b>Glenbard Wastewater Authority</b>				
<b>CY2020 Total Budget</b>				
	<b>Actual</b>	<b>Budgeted</b>	<b>Estimated</b>	<b>Budgeting</b>
	<b>CY2018</b>	<b>CY2019</b>	<b>CY2019</b>	<b>CY2020</b>
<b>Operations &amp; Maintenance</b>	\$3,953,637	\$4,445,941	\$4,402,055	\$4,602,094
<b>Capital Costs</b> (Expenses & Debt Repayment)	\$3,250,401	\$9,023,000	\$6,188,990	\$9,933,165
<b>TOTAL</b>	<b>\$7,204,038</b>	<b>\$13,468,941</b>	<b>\$10,591,045</b>	<b>\$14,535,259</b>

CY2019/CY2020 Division 270 Budgeted O&M Comps



CY2019/CY2020 Member Contribution Comps



**DIVISION 270  
GLENBARD PLANT  
and  
THE SRI LIFT STATION  
and  
SUNNYSIDE LIFT STATION  
O&M NARRATIVE**

Division 270 is the main treatment facility. The facility treats, on average, 12 million gallons per day (MGD). The flow is conveyed via two interceptors:

- ~The North Regional Interceptor (SRI)
- ~The South Regional Interceptor (NRI)

These interceptors end at a junction chamber that is located on the eastern property line. Once they have reached the junction chamber, one 60" sewer conveys the flow under the East Branch of the DuPage River and into the GWA Treatment Facility. The 22<sup>nd</sup> Street sewer pipe also conveys flow to the junction chamber, but is not considered an interceptor since it is the property of the Village of Lombard.

The SRI Lift Station is located on the southeastern corner of the Glenbard Plant. The station was built in 1992 to alleviate the overpowering flow of wastewater from the NRI that created sanitary sewer overflows of the South Regional Interceptor. The wastewater that is pumped through the SRI Lift Station is conveyed to the station by the South Regional Interceptor which receives flow exclusively from collection systems operated and maintained by Illinois-American Water, a private utility company regulated by the Illinois Commerce Commission. Glenbard provides wastewater treatment for Illinois-American Water, who pays a user charge for this service to the Village of Glen Ellyn.

The Sunnyside Lift Station which was built in 1979 as part of the re-aligning of the North Regional Interceptor (NRI) during the construction of the new Glenbard Wastewater Authority Treatment Facility. The NRI at the time was on the west side of the East Branch of the DuPage River. The construction of the new Glenbard plant re-aligned the NRI to the east side of the East Branch of the DuPage River. The homeowners that had laterals leading directly to the NRI needed to be serviced, so the creation of the Sunnyside Lift Station came to be. The lift station serves less than twelve residents along Sunnybrook Road.

Flow through the Glenbard Plant is billed to both the Village of Lombard and the Village of Glen Ellyn based on monthly flow billing.



**Budget CY2020****Operations & Maintenance****Division 270****Expense Allocation to Partners****REVENUE**

		<b>Actual CY2018</b>	<b>Budgeted CY2019</b>	<b>Estimated CY2019</b>	<b>Budgeting CY2020</b>
<b>Operation/Maintenance</b>					
450010	Glen Ellyn Share - 41.01%	1,620,232	1,887,936	1,751,093	1,883,218
450015	Lombard Share - 58.99%	2,311,758	2,548,004	2,684,848	2,708,876
	Partners Allocation	3,931,990	4,435,941	4,435,941	4,592,094
	<b>Interst Income - O&amp;M Fund</b>	<b>21,560</b>	<b>10,000</b>	<b>28,500</b>	<b>10,000</b>
	<b>Misc. Revenue</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>IRMA Reimbursement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIVISION 270</b>		<b>3,953,638</b>	<b>4,445,941</b>	<b>4,464,441</b>	<b>4,602,094</b>

NOTE: The flow splits used to calculate partner payments for CY2020 are as follows:

Flow Split for Glen Ellyn:

41.01%

Flow Split for Lombard

58.99%

(for 5 yrs. Average ending 12/31/18)

NOTE: The flow splits used to calculate partner payments for CY2019 are as follows:

Flow Split for Glen Ellyn:

42.56%

Flow Split for Lombard

57.44%

(for 5 yrs. Average ending 12/31/17)

NOTE: The flow splits used to calculate partner payments for CY2018 are as follows:

Flow Split for Glen Ellyn:

44.45%

Flow Split for Lombard

55.55%

(for 5 yrs. Average ending 12/31/16)

Budget CY2020 Operations and Maintenance Division 270 Expense Allocation to Partners		Footnotes	EXPENSES				% Difference CY19-CY20	\$ Difference CY19-CY20
			Actual CY2018	Budgeted CY2019	Estimated CY2019	Budgeting CY2020		
<b>Personnel Services</b>								
510100	Salaries - Regular	4	1,261,045	1,392,000	1,427,254	1,412,000	1.4%	20,000
510110	Salaries - Part-Time Ops.	5	50,173	60,000	56,581	60,000	0.0%	0
510200	Salaries - Overtime	6	42,303	51,000	54,055	66,000	29.4%	15,000
510300	Salaries - Temporary/Seasonal		1,536	7,000	7,283	7,000	0.0%	0
510400	FICA		99,276	115,515	113,855	118,193	2.3%	2,678
510500	IMRF	7	121,554	103,175	101,630	134,350	30.2%	31,176
	State Unemployment		7,875	0	9,031	0	#DIV/0!	0
	<b>Total</b>		<b>1,583,762</b>	<b>1,728,690</b>	<b>1,769,690</b>	<b>1,797,543</b>	<b>4.0%</b>	<b>68,853</b>
<b>Contractual Services and Commodities</b>								
520305	Employee Recognition		188	1,000	500	1,000	0.0%	0
520600	Dues/Subs./Fees		9,547	15,750	4,456	9,900	-37.1%	(5,850)
520615	Recruiting/Testing		5,686	1,000	1,515	1,000	0.0%	0
520620	Employee Education	8	11,890	19,000	19,539	28,700	51.1%	9,700
520625	Travel (Mileage)		80	750	273	750	0.0%	0
520700	Pro. Serv.-Legal Support	9	10,802	15,000	21,870	15,000	0.0%	0
520750	Legal Notices		377	500	690	500	0.0%	0
520775	Regulatory Fees		52,985	53,000	53,000	53,000	0.0%	0
520776	DuPage River Salt Creek Work Group Fee	:	31,091	33,600	32,180	32,200	-4.2%	(1,400)
520806	Pro. Serv.-Lab Support		18,090	27,500	29,450	28,500	3.6%	1,000
520816	External Consulting Fees	:	10,550	20,000	18,000	20,000	0.0%	0
520825	Audit Fees / Pro. Serv. - Acct.	<	11,100	11,400	14,700	15,100	32.5%	3,700
520885	Insurance - Liability (MICA)	43	136,432	160,000	135,951	145,000	-9.4%	(15,000)
520895	Insurance - Health	44	212,480	213,100	257,093	235,300	10.4%	22,200
520970	Maint. - Bldg. & Grds.		11,656	12,000	4,923	10,700	-10.8%	(1,300)
520971	Bldg. & Grounds - Support		44,964	56,550	55,300	56,600	0.1%	50
520975	Maint. - Equipment		49,599	157,825	96,537	267,388	69.4%	109,563
520976	Maint. - Support	45	43,376	62,500	50,299	60,550	-3.1%	(1,950)
520980	Maint. - Electronics		48,097	66,000	51,082	66,000	0.0%	0
520981	Elect. - Support	46	176,271	219,900	202,217	222,534	1.2%	2,634
520990	Operations - Supplies		10,283	14,100	12,589	14,100	0.0%	0
520991	Operations - Support		4,120	7,000	3,509	7,000	0.0%	0
521055	Professional Services - Other Support		944	4,000	3,000	4,000	0.0%	0
521130	Overhead Fees	47	129,270	131,726	131,726	134,229	1.9%	2,503
521150	Sludge Disposal - Land Applied	48	153,121	195,000	181,944	185,000	-5.1%	(10,000)
521195	Telecommunications		28,969	31,800	30,846	27,200	-14.5%	(4,600)
521201	Electric Power	49	496,293	400,000	536,373	395,000	-1.3%	(5,000)
521202	Natural Gas	4:	42,516	60,000	55,534	60,000	0.0%	0
521203	Water		26,541	25,000	18,626	20,000	-20.0%	(5,000)
521204	Self-Gen Gas		4,818	6,000	4,572	6,000	0.0%	0
530100	Office Expenses		13,200	16,500	14,397	16,500	0.0%	0
530106	Operating Supplies - Lab		11,648	20,000	12,156	17,000	-15.0%	(3,000)
530107	Pretreatment Expenses		0	4,500	316	4,500	0.0%	0
530200	Administrative Purchases		0	500	0	2,000	300.0%	1,500
530225	Safety		14,920	17,500	18,295	21,500	22.9%	4,000
530440	Chemicals	4;	46,398	90,000	35,588	90,000	0.0%	0
530443	Liquid Oxygen	4<	337,309	345,000	327,197	330,000	-4.3%	(15,000)
530445	Uniforms		5,233	5,000	5,429	5,000	0.0%	0
	<b>Total</b>		<b>2,210,846</b>	<b>2,520,001</b>	<b>2,441,672</b>	<b>2,608,751</b>	<b>3.5%</b>	<b>88,750</b>
<b>TOTAL DIVISION 270</b>			<b>3,794,607</b>	<b>4,248,691</b>	<b>4,211,362</b>	<b>4,406,294</b>	<b>3.7%</b>	<b>157,603</b>

## **CY2020 DIVISION 270 O&M FOOTNOTES**

- (1) **SALARIES (\$1,412,000):**  
This budget number includes salaries provided for seventeen (17) full-time staff members. The full-time equivalent for all staff is approximately 18.8 including part-time operators and seasonal staff.
- (2) **SALARIES - PART-TIME OPERATORS (\$60,000):**  
The Glenbard Plant operates 24 hours per day, 7 days per week. The SCADA System monitors the plant while it is not manned. Work *is* required on weekends and holidays to assure continued treatment and processing to meet stream discharge standards. Most of this work involves solids processing that must be done 7 days per week. For approximately seventeen (17) years we have used Part-Time Operators to provide operational inspections and solids processing on weekends and holidays. The use of five (5) part-time operations staff has allowed the full-time operations staff to work a regular work week without needing to work swing shifts or weekend work unless a situation arises. This has worked out well, and has resulted in not only better working arrangements for the full-time operations staff, but also utilizes an expanded pool of operators who can be called upon to help with the plant operations. This item is based on the equivalent of one (1) full time 40 hour per week employee.
- (3) **SALARIES – OVERTIME (\$66,000):**  
GWA continues to trend overtime and manage this expense with best management practices in mind. The increase over last year is due to the potential to add a new policy that will put the Maintenance and Electrical departments in on-call rotations in addition to the Operations department.
- (4) **IMRF (\$134,350):**  
This represents a \$31,176 increase compared to the CY2019 budget number of \$103,175.
- (5) **EMPLOYEE EDUCATION (\$28,700):**  
The employee education budget includes costs for attendance at seminars, conferences, and other educational courses – and includes travel costs and reimbursements. In addition to encouraging staff to receive continuing education, in 2019 the Illinois Environmental Protection Agency revised the requirements for Wastewater Operators to maintain their licenses, and now require continuing education, therefore we know staff will need to attend more events in order to keep their status current.
- (6) **PROFESSIONAL SERVICE LEGAL (\$15,000):**  
This item had no increase from CY2019 and is used for legal needs regarding projects and contract reviews, lease agreements, access, and all other legal consultation.

- (7) **DUPAGE RIVER SALT CREEK WORK GROUP (\$32,200):**  
The increase in the work group dues is a direct correlation to the support we provide as members to keep the administrative functions in tact as we continue to collaborate with the IEPA with regard to our NPDES permits. The project initiatives that the East / West Branch DuPage River & Salt Creek watersheds are providing to the IEPA are imperative to the impacts of the nutrient standards relating to point source dischargers. The work group has been recognized by the IEPA as a leader in developing remediation to stream standards particularly relating to habitat improvements. The work group believes that stream remediation is the path to healthier streams and rivers versus costly implementation of nutrient discharge limits at treatment plants for phosphorus and total nitrogen. Educating communities about chloride utilization, storm water best management practices, and the discontinued use of coal tar sealants have also been important functions provided by this group. The IEPA has granted the Authority with two permit cycles (10 years) without impending NPDES limits for phosphorus, and is currently in negotiations to get another permit cycle (5 years) included onto the exemption.
- (8) **External Consulting Fees (\$20,000):**  
This item covers the cost to hire a consulting engineer for small specific tasks required to implement equipment changes, operational changes or general consultation. In CY2019 the Authority anticipates needing to use external consultants for a number of small jobs or studies.
- (9) **AUDIT FEES (\$15,100):**  
The Audit fees for the Authority cover the cost of the Village of Glen Ellyn as the "Operating Agency" to hire a third-party financial firm to provide an Audit of the CY2019 financials.
- (10) **INSURANCE LIABILITY (\$145,000):**  
This item represents the annual premium cost of our coverage with Municipal Insurance Cooperative Agency (MICA), a pooled insurance program, which provides a protected self-insured plan. Included in this expense line is the annual premium payment to MICA for CY2020 and an excess liability policy. This Line item is the is a \$15,000 increase from the number that was utilized for the CY2019 budget number of \$160,000. Liability insurance consists of 2/3's Workman Comp costs and 1/3 Property insurance costs.
- (11) **INSURANCE HEALTH (\$235,300):**  
Health care is provided through the Village of Glen Ellyn insurance plan. This line item reflects a \$22,200 increase over the CY2019 budget number of \$213,100.

- (12) **MAINTENANCE SUPPORT (\$60,550):**  
This line item reflects work previously budgeted in the Maintenance-Contractual line item. This represents a \$1,950 decrease from the CY2019 budget number of \$62,500.
- (13) **ELECTRICAL SUPPORT (\$222,534)**  
This line item reflects an increase in CY2020 compared to CY2019 budget number of \$219,900. The increase is attributed to increased costs in annual service contract increases.
- (14) **OVERHEAD FEES (\$134,229):**  
Overhead fees per the Intergovernmental Agreement (IGA) are based on the annually published CPI-U Chicago increase of 1.9% for the CY2020 budget. In 2015 the administrators for the member Villages reviewed the demands of the Authority regarding the Operating Agency's responsibility for oversight and felt that after three years (per the IGA) the review of workload allocation and the cost to support the Authority is acceptable until the next review due this year.
- (15) **SLUDGE DISPOSAL FEES (\$185,000):**  
Sludge disposal fees have been calculated based the new bid price that was obtained in CY2018 for a 3-year contract, and estimated volume of sludge produced. This cost includes the costs of hauling sludge off plant site daily in order to better mitigate odors.
- (16) **ELECTRIC POWER (\$395,000):**  
In CY2017 The Authority signed a four (4) year agreement which began in CY2018 (February) with Direct Energy for a Fixed Fee of \$0.04436/KWH (reduction from previous 3-year contract with Dynegy Energy for \$.0478/KWH.) Our power consumption is directly impacted by wet weather conditions impacting our facilities. The Authority originally estimated this cost to be much lower (\$300,000) due to the potential electricity being produced by Combined Heat & Power (CHP) engine generators, however due to the digester upset, conservative numbers have been reinserted into the budget keeping in mind the uncertainty of the co-digestion/HSW program, and it's affect on the ability to generate more electricity. The \$395,000 budget number for CY2020 is based on past trends and predicted CHP Electricity production, as well as normal operating parameters for the plant.
- (17) **NATURAL GAS (\$60,000):**  
In CY2017 The Authority signed a four (4) year agreement which began in CY2018 (April 1) with Constellation Energy Services for a Fixed Fee of \$2.78 per dekatherm (reduction from previous 3-year contract with Integrys Energy for a Fixed Fee of \$4.19 per dekatherm) The Authority is looking to continue to reduce our natural gas costs with the CHP process which as a secondary savings driver will reduce the need for natural gas as a fuel for our 1.5 million BTU boilers used to heat the anaerobic digesters. The hot water created by the engines is used to heat the digester which lowers the temperature of the water as it recirculates back through the engine and gets reheated. The hydronic process of the CHP system is complicated due to the needs of two processes, the anaerobic digester heating demands and the CHP engine cooling demands. The two must work together to successfully regulate the temperatures each one specifically needs. The hot water if not needed by the boilers, will be cooled by the radiators to keep the CHP's from overheating.

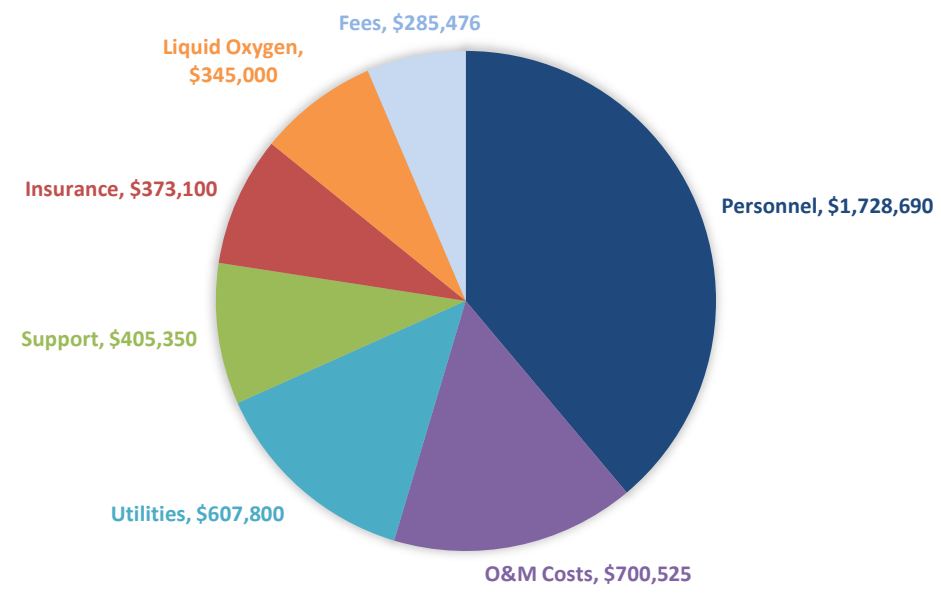
**(18) CHEMICALS (\$90,000):**

Chemicals used in the daily operation of the plant are included in this section at expected levels consistent with our recent history. Different chemicals are used for sludge dewatering, odor control, acid wash, and mineral deposition throughout the plant. Polymer production costs continue to increase annually due to the product being petroleum based. This item saw a significant increase from CY2018 due to higher hauling costs, as well as the additional of a chemical system related to the Facility Improvement Project

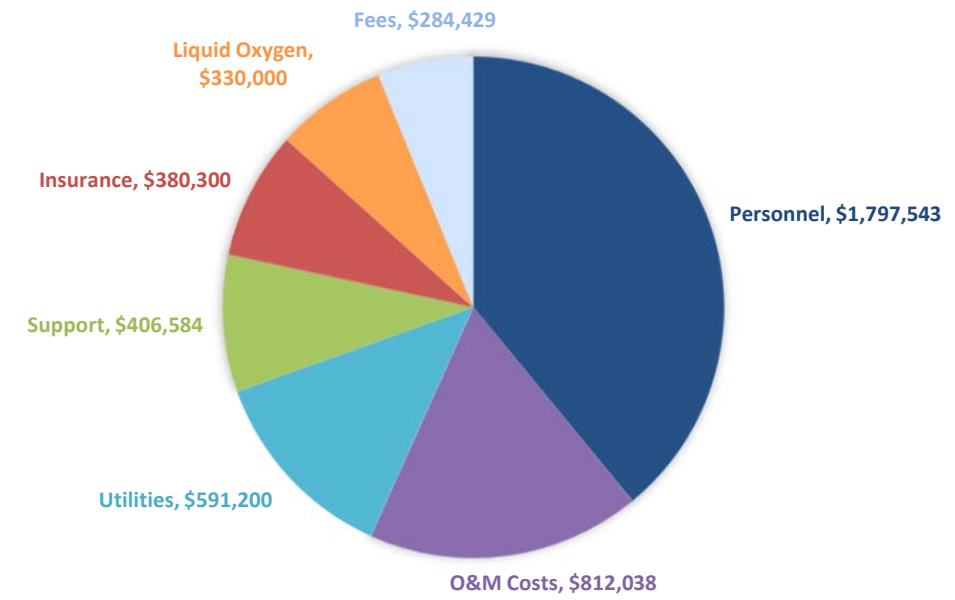
**(19) Liquid Oxygen (\$330,000)**

In CY2018 the Authority began to haul in pure oxygen from an outside provider. The transition to hauling it from an outside provider has allowed us to start using less energy, while still operating the high purity oxygen system, and gave us the ability to fine tune our operations prior to converting to a biological nutrient removal process. Performing the transition could avoid shocks to the biological components of the overall treatment process as a result of moving directly from High Purity Oxygen (HPO) Activated Sludge process to Biological Nutrient Removal (BNR). The transition to liquid hauling would also consume less staff time since the cryogenic plant would no longer be in operation, and would reduce overall operational costs. This line item has a \$15,000 decrease from CY2019, which is a result of trying to refine actual numbers based on historical usage. Since this is still a relatively new process, we continue to refine the number as we have more historical data to base it off of.

### CY2019 O&M EXPENSES



### CY2020 O&M EXPENSES



**270-1**  
**STORMWATER PLANT**  
**and**  
**Hill AVENUE LIFT STATION**  
**O&M NARRATIVE**

The Glenbard Wastewater Authority Stormwater Plant is only utilized for operation during excess flow events. The Stormwater Plant is capable of processing 58 MGD of combined sewer flow.

The Hill Avenue Lift Station is also an integrated part of the Stormwater Plant. The lift station conveys flow to the plant as a result of flows greater than 2.5 times average daily flows through the Hill Avenue Regulator. The lift station only operates during wet weather events as part of the system that protects the Glenbard Plant from excessive high flow situations created in part by the combined sewers in the northern section of the Village of Lombard.



Budget CY2020

EXPENSES

Operations & Maintenance

Division 270-1

Stormwater Plant & Hill Avenue Lift Station

	Actual CY2018	Budgeted CY2019	Estimated CY2019	Budgeting CY2020	% Difference CY19-CY20	\$ Difference CY19-CY20	
<b>Operations &amp; Maintenance</b>							
520775	Regulatory Fees	20,000	20,000	20,000	20,000	0.0%	0
520970	Maint. - Bldgs. & Grnds. / Support	16,206	12,200	9,600	11,700	-4.1%	(500)
520975	Maint. - Equipment	1,309	5,400	2,818	5,900	9.3%	500
520980	Maint. - Electronics	2,838	4,000	2,000	4,000	0.0%	0
521201	Electric Power	35,111	40,000	40,145	38,000	-5.0%	(2,000)
521202	Natural Gas	3,529	4,500	5,000	5,000	11.1%	500
521203	Water	3,581	5,500	4,563	5,000	-9.1%	(500)
530105	Operations Supplies	0	500	1,079	1,000	100.0%	500
<b>Commodities</b>							
530440	Chemicals	39,290	50,000	46,889	50,000	0.0%	0
<b>Total 270-1</b>		<b>121,864</b>	<b>142,100</b>	<b>132,094</b>	<b>140,600</b>	<b>-1.1%</b>	<b>(1,500)</b>

**270-2**  
**NORTH REGIONAL INTERCEPTOR**  
**and**  
**ST. CHARLES RD. LIFT STATION**  
**O&M NARRATIVE**

The North Regional Interceptor (NRI) begins at the St. Charles Lift Station located next to Ackerman Park in Glen Ellyn. An 18" diameter force main exits the lift station and runs east down St. Charles Road to the I-355 Tollway, where the sewer turns south and becomes a gravity sewer. From there the NRI runs south 4.5 miles to the Glenbard Plant. The diameter of the NRI changes from 18" to 66" as collection systems from both member Villages enter and add more flow. Glen Ellyn has five connections to the NRI and Lombard has four. Three of the Lombard connections are from combined sewers. The three combined sewers have "regulators" before they enter the NRI. The purpose of these regulators is to limit the amount of storm water that is treated at the Glenbard Plant. This is done by diverting any flow above 2.5 times the average dry weather flow to the Stormwater Plant. These regulators were converted to Vortex Regulators as part of the Stormwater Plant upgrade in 2002.

The St. Charles Road Lift Station receives flow from the Village of Glen Ellyn and the DuPage County sanitary sewer systems. Flows range from 2 million gallons per day (MGD) to 10 MGD due to Inflow and Infiltration (I&I). The new lift station has been designed to operate cost effectively at low and high flow conditions utilizing variable speed drives. These drives control the speed of the pumps versus the previous method of on/off cycling of the pumps. The lift station also has redundant back-up power provided by onsite generation.

Budget CY2020  
 Operations & Maintenance  
 270-2  
 NRI / St. Charles Road L.S.

EXPENSES

		Actual CY2018	Budgeted CY2019	Estimated CY2019	Budgeting CY2020	% Difference CY19-CY20	\$ Difference CY19-CY20
<b>St. Charles Rd. Lift Station</b>							
520970 SC	Maint. - Bldg. & Grnds.	84	450	225	500	11.1%	50
520975 SC	Maint - Equipment	1,834	9,000	5,040	9,000	0.0%	0
520980 SC	Maint. - Electronics	3,158	3,000	1,500	3,000	0.0%	0
521201 SC	Electric Power	19,574	20,000	24,888	20,000	0.0%	0
<b>Total</b>		<b>24,651</b>	<b>32,450</b>	<b>31,653</b>	<b>32,500</b>	0.2%	50
<b>North Regional Interceptor</b>							
520970 NRI	Maint. - Piping & Grnds.	20	500	200	500	0.0%	0
<b>Total</b>		<b>20</b>	<b>500</b>	<b>200</b>	<b>500</b>	0.0%	0
<b>Total 270-2</b>		<b>24,671</b>	<b>32,950</b>	<b>31,853</b>	<b>33,000</b>	0.2%	50

**270-3**  
**SOUTH REGIONAL INTERCEPTOR**  
**and**  
**VALLEY VIEW LIFT STATION**  
**O&M NARRATIVE**

The South Regional Interceptor (SRI) begins at the Valley View Lift Station which conveys flow approximately 1.0 mile before it becomes a .5 mile gravity sewer that flows into the SRI Pump Station. Through the 1.5 miles the pipe diameter changes from 18" to 30" as three additional sewers enter the SRI. The SRI Pump Station pumps the wastewater a short distance to a junction chamber for the NRI, SRI and 22<sup>nd</sup> Street flow. The junction chamber combines the three (3) interceptor pipes and conveys the flow through a 60" sewer line to the Glenbard Plant. The wastewater in the SRI is exclusively from collection systems operated and maintained by Illinois-American Water, a private utility company regulated by the Illinois Commerce Commission. Glenbard provides wastewater treatment for Illinois-American Water, who pays a user charge for this service to the Village of Glen Ellyn. This responsibility was acquired by the Village of Glen Ellyn as the "Operating Agency" for the Glenbard Wastewater Authority per an Intergovernmental Agreement. This limits the partners of the Glenbard Wastewater Authority to the Village of Glen Ellyn and the Village of Lombard.

The Valley View Lift Station was completely rebuilt during short year 2014 and a portion of calendar year 2015. The project included building a new wet well, valve vault, emergency by-pass pumping capabilities, a new control building that includes a control room, a new generator, and a utility closet. The project also addressed stormwater retention, low cost site maintenance, and site security. The total project cost for the station was \$1,945,190 which is \$32,622 less than the bid award. This project was designed and built with budgeted Capital Improvements Funds.

Budget CY2020  
 Operations & Maintenance  
 270-3

EXPENSES

SRI / Valley View L.S.		Actual CY2018	Budgeted CY2019	Estimated CY2019	Budgeting CY2020	% Difference CY19-CY20	\$ Difference CY19-CY20
<b>Valley View Lift Station</b>							
520970 VV	Bldg. & Grnds. Support	84	700	4,638	700	0.0%	0
520975 VV	Maint. - Equipment	554	5,000	2,500	5,000	0.0%	0
520980 VV	Maint. - Electronics	0	1,000	2,500	1,000	0.0%	0
521201 VV	Electric Power	10,336	13,000	15,308	13,000	0.0%	0
521203 VV	Water	1,501	2,000	1,550	2,000	0.0%	0
<b>Total</b>		<b>12,475</b>	<b>21,700</b>	<b>26,496</b>	<b>21,700</b>	<b>0.0%</b>	<b>0</b>
<b>South Regional Interceptor</b>							
520970	Maint. - Piping & Grnds.	20	500	250	500	0.0%	0
<b>Total</b>		<b>20</b>	<b>500</b>	<b>250</b>	<b>500</b>	<b>0.0%</b>	<b>0</b>
<b>Total 270-3</b>		<b>12,495</b>	<b>22,200</b>	<b>26,746</b>	<b>22,200</b>	<b>0.0%</b>	<b>0</b>

Capital



**CY2020  
FUND 40  
CAPITAL FOOTNOTES**

**(1) Proceeds From Borrowing (\$1,500,000):**

This line item depicts the borrowing remaining in CY2020 to help fund the Facility Improvements Project (FIP). The total amount being requested to borrow between CY2017 and CY2020 is \$16,725,000. The total estimated 20-year Debt payment scheduled to begin in CY2020 for the FIP is \$19,924,327.

**(2) Demand Load Response Program (\$26,000)**

In CY2018 the EOC approved the Authority to enter into a Demand Load Response program. Since we have the ability to use the backup generators to remove ourselves from the power grid, the power companies ask that we remain available to do so in the event their demand is too high for any given period. For remaining available to do so we are granted some revenue. This is a 6-year program and will end in CY2023, at which point it may be renewed.

**(3) Leachate Revenue (\$117,000):**

We a contract Waste Management to include delivering up to 42,000 gallons per day, five days per week at \$0.025/gallon. The Authority has been averaging 21,000 gallons per day which equates to approximately \$140,000/year in additional revenue. There are a couple reasons to leave a conservative number in for this item; if for any reason the leachate has any ill effects on the treatment process, Waste Management will halt all deliveries until the process recuperates. Also, leachate flow is heavily dependent on rainfall, so if less than average precipitation amounts are experienced, there will be a decrease in leachate revenue.

**(4) Fats Oil & Grease (FOG)/Industrial Waste Tipping Fees (\$75,000)**

In CY2016 upon the completion of the Combined Heat and Power Engines and the FOG receiving station, the EOC approved the acceptance of these materials in order to generate revenue (\$0.05/gallon). The program was put on a moratorium in August 2017 during a major biological upset, but was restarted again in April 2018 after thorough research into proper methods, and the program is expected to grow after proper demonstration.

**(5) Cell Tower Revenue (\$75,000):**

In CY2016 the Authority and the Village of Glen Ellyn negotiated with TowerCo to build a new tower capable of accepting up to four carriers.



The new tower was built in CY2017, and added Verizon as a carrier, therefore adding our anticipated revenue from leasing the land for the cellular tower. In CY2019 TowerCo/the Village allowed for T-Mobile to also be added, increasing the revenue from about \$53,000/year to \$75,000/year. This could be increased if an additional carrier signs onto the tower, as there is still room for one more carrier.

**(6) Operating Surplus Transfers (\$449,510):**

The EOC approved the audit reported CY2018 O&M surplus to be transferred to the Capital Fund 40 at the July 11, 2019 meeting.

**(7) Capital Fund Contributions (\$3,641,050):**

The Capital Improvement Fund 40 relies on dedicated contributions from both communities to support GWA capital expenses. Based on Facility Planning efforts during FY2013 and FY2014 the Capital Fund 40 will be increased annually based on project demands for an estimated 20 years. The current rate of increase for the Capital Fund is calculated at 3% annually which is a 3% increase compared to CY2019.

**(8) Anaerobic Digester Improvement Project Debt Payment (\$637,000):**

This is the principal and interest payment for the IEPA Loan utilized for the 2007-2013 installation of a new 80' digester at the Glenbard Plant. Also included in this project was some cleanup work from the BIP Project. The amount of the loan was \$7,543,026 to be paid back over fifteen (15) years at an interest rate of 2.5%. Substantial completion was awarded near the end of FY2011. Final Completion of the Anaerobic Digester Project was awarded in November 2013.

**(9) Facility Improvement (FIP) Debt Payment Actual (Principal & Interest) (\$995,000)**

This is the principal and interest payment for the IEPA loan utilized for the 2016 Facility Improvement Project, which included the installation of new tertiary filters, a new raw pump station, and new plant utilities. The total amount of the loan to be paid back is \$16,725,000 to be paid back over 20 years at an interest rate of 1.75%. Substantial Completion of this project is expected in July 2020.

**(10) Property Acquisition – Easement Lease (\$500,000)**

In CY2020 the Authority has the potential to purchase an adjacent property for future use, and is expected to renew an easement lease for an intercepting sewer with the Forest Preserve of DuPage County.

**(11) Rolling Stock (\$39,000):**

GWA anticipates replacing a Electrical Fleet Vehicle in CY2020

- (12) **Small Capital Improvements (\$85,000):**  
This cost center provides for small capital improvements, such as miscellaneous equipment, materials and small projects. In CY2019, GWA budgeted \$165,000 for this line item.
- (13) **Infrastructure Improvements (\$97,000):**  
This cost center provides for various infrastructure improvements throughout the GWA Facilities, which would include underground work on various plant utilities. In CY2019, \$112,000 was budgeted for this item.
- (14) **Roof Replacements (\$362,000):**  
This year GWA will be performing minor roofing replacements at the Glenbard Plant while we evaluate the updated plan for future needs.
- (15) **Plant Equipment Rehabilitation (\$335,000):**  
This cost center provides for various equipment rehabilitations throughout the GWA Facilities, such as work on sewers and lift stations, and rehabilitating existing equipment. In CY2019, \$340,000 was budgeted for this item.
- (16) **Atmospheric Vaporizer Lease (\$20,000)**  
In CY2017 the Authority decommissioned it's aging cryogenic plant that was used to create pure oxygen and begin hauling in liquid oxygen produced offsite. In order to meet the needs of this new process, atmospheric vaporizers were leased, as it was determined more cost effective to lease them than purchase them.
- (17) **Motor Control Center (MCC) Replacements (\$140,000)**  
Sufficient replacement funds should be established to support the rehabilitation and replacement efforts necessary to ensure continued operation of all equipment onsite, and to maintain safe electrical equipment. Based on the estimated replacement costs provided in the facility plan, it is recommended that the Authority budget to replace all of the identified equipment over the next ten years. In addition, it is recommended that as part of each capital improvements project that the Authority completes that the MCC's identified be incorporated into the scope of the project. The overall budgeted values should then be updated based on the improvements that have been completed at the end of each year.
- (18) **Program Logic Controller (PLC) Replacements (\$130,000)**  
Sufficient replacement funds should be established to support the rehabilitation, repair, and replacement efforts necessary to ensure the continued future reliability of the aging instrumentation and control

equipment, as well as to take advantage of new technology. Based on the estimated replacement costs provided, it is recommended that the Authority budget to replace all of the identified equipment over the next ten years. In addition, it is recommended that as part of each capital improvements project that the Authority completes that the PLC's identified be incorporated into the scope of the project. The overall budgeted values should then be updated based on the improvements that have been completed at the end of each year.

**(19) Unox Deck Replacements (\$100,000)**

Due to the age and condition of the equipment and structures on the unox deck, the high cost of complete replacement, and the strong possibility of needing a new process due to future regulations – the facility plan recommended budgeting \$100,000 over the next 10 years to anticipate various replacements for failed equipment and rehabilitation of structures.

**(20) DuPage River Salt Creek Work Group (\$265,000):**

The project initiatives that the East / West Branch DuPage River & Salt Creek watersheds are providing to the IEPA are imperative to the impacts of the nutrient standards relating to point source dischargers. The work group has been recognized by the IEPA as a leader in developing remediation to stream standards particularly relating to habitat improvements. The work group believes that stream remediation is the path to healthier streams and rivers versus the implementation of overly stringent nutrient discharge limits for phosphorus and total nitrogen. Educating communities about chloride utilization, storm water best management practices, and the discontinued use of coal tar sealants have also been important functions provided by this group. The IEPA has granted the Authority with first of two potential permit cycles (10) years without impending NPDES limits for phosphorus. If the Authority fails to support the assessed fees as agreed to per the commitment agreement with the DRSCWG we may be facing a phosphorus limit as low as .1 mg/l versus a 1.0 mg/l

**(21) Facility Improvements Project (FIP) (Construction: \$2,500,000; Engineering \$150,000):**

The FIP project had been awarded to Boller Construction Company of Waukegan, IL in the amount of \$16,725,000 and focuses on the aging infrastructure of our Influent Pumping Station, Sand Filters and underground utility replacements of natural gas and non-potable water lines. The majority of all of these systems are approximately 17 years old with some of the components being original 1977 equipment. The most recent improvement to all of this was to the influent gates for the barscreen and raw pumping station which were replaced in the early 2000's. The main focus at the influent pumping station is to replace the

Raw Pumps, Variable Frequency Drives, Motor Control Centers, and Hydraulic Actuators. The station will be updated with pumps that will be able to reduce impacts to the interceptor sewers during high flow events due to their high head loss suction capabilities. The Sand Filters are being replaced with what is called a disk filter in an effort to remove significant recycles flows, and mechanical maintenance demands. Due to recent complications, the overall project cost is now at \$17,701,258,83, and expected to be complete in July 2020

**(22) Electric Service Distribution System Rehabilitation Project (Construction \$2,500,000; Engineering: \$250,000):**

Due to recent electrical failures this project had been moved up to be constructed in CY2019, but due to complexities in design, construction is now anticipated in CY2020. This was identified in our previous 5-year capital project plan in the Facility Plan as being needed. A RFQ/RFP process selected an engineer in CY2018 to perform the design and engineering. This project will be bid in late CY2019 and is anticipated to be \$2.5M with \$250k (10%) in construction engineering fees.

The electrical power distribution system is served from a single connection to the local electric utility's distribution system. In the event of loss of utility supply, three on-site 800 kW natural gas generators can produce ample power to serve the facility. The facility has two medium voltage underground distribution circuits, and either circuit can be used to serve all critical plant loads—from the utility or from the generators. However, the two underground circuits share common duct banks and common manholes. Thus, a single event could cause failure of both underground circuits. Alternatives to mitigate these single points of failure will be considered in the analyses. While all the critical plant loads are connected to both medium voltage underground distribution circuits, the Main Cryogenic Compressor and the Administration Building do not have redundant step-down transformers. Thus, a single failure of the step-down transformer to these loads will result in loss of critical power. Alternatives for a redundant transformer or back-up 480 V supply to these two critical loads will be addressed in the analyses. A previous power system study has identified that the protective devices in the supply to the Sludge Dewatering Building and the Digester Building are not appropriately rated to interrupt a worst-case short-circuit event. Appropriate equipment replacement will be addressed in the analyses. As part of the facility's existing maintenance and testing plan, plant staff periodically performs cable testing on the distribution network. The cables being tested must be isolated from the system prior to testing, and the act of cable disconnection (determination) is very time-consuming. Plant staff have expressed an interest in adding disconnect switches to specific circuits to reduce man-hours required to perform the cable testing. Alternatives for

more efficient cable testing will be developed in the analyses. The site lighting is aging and appears to be corroding. Replacement of the site lighting will be included in this scope. Any potential incentives or grant funding related to the site lighting or other electrical work shall be explored as well.

**(23) Recycled Activated Sludge (RAS) Pump Station Rehabilitation (\$180,000)**

Various components of our RAS pump station, such as flow meters that monitor the entire flow through the plant, automated valves, and other associated pumps are in poor condition and in need of replacement. All of this equipment replacement is to be performed in-house.

**(24) Grit Pump & Screening Washer/Conveyor Replacement (\$310,000)**

The existing grit pumps were installed in 2005 and have an anticipated life of 15 years. Due to the years of pumping recycled sand that was lost from the old sandfilters, these pumps saw much abuse, and one actually failed in CY2019. This replacement was recommended in the Facility Plan. The Screenings washer was installed in 2006, and although this piece of equipment should have a 20-year life, it is in poor shape and in need of replacement. The conveyor for the screenings is beyond its useful life of 20 years after being installed in 1998. All of this equipment replacement is to be performed in-house.

**(25) Biosolids Dewatering Equipment Replacement Engineering (\$330,000)**

The existing biosolids facility was constructed in 1977 and was last retrofitted in 1991. The majority of the dewatering equipment has an anticipated life of 20 years and is getting past the point of its useful life. The conceptual layout includes two new belt filter presses rated at 200-250 gpm to allow for dewatering only five hours per day, five days per week. The conveyors will be properly sized to convey dewatered sludge from both belt filter presses running simultaneously. The conveyor system will include multiple drop points to allow for discharge across the receiving trailer. A crane system will be included within the project. This budget items is to perform the design engineering of this project and assistance in obtaining an IEPA low interest loan, and prepare for construction in CY2021.

Budget CY2020  
 Glenbard Treatment Facility  
 Fund 40 Capital Plan  
 Capital Improvements Detail

	Estimated CY2019	Budgeting CY2020
PROCEEDS FROM BORROWING	3,000,000	1,500,000
INVESTMENT INCOME	106,458	10,000
CONNECTION FEES - GLEN ELLYN	80,149	25,000
CONNECTION FEES - LOMBARD	47,650	25,000
ENERNOC DEMAND RESPONSE PROGRAM	25,000	26,000
LEACHATE REVENUE	249,579	117,000
FATS OIL & GREASE (FOG) / INDUSTRIAL WASTE TIPPING FEES	80,479	75,000
CELL TOWER REVENUE	55,800	75,000
OPERATING SURPLUS TRANSFERS	449,410	0
PRETREATMENT FINES	0	0
MISCELLANEOUS REVENUE	1,795	1,000
EQUIPMENT REPLACEMENT FUND		
	GLEN ELLYN - 45.51%	1,635,998
	LOMBARD - 54.50%	1,899,002
<b>REVENUES TOTAL:</b>	<b>7,631,319</b>	<b>5,495,050</b>
<b>PRINCIPAL &amp; INTEREST:</b>		
IEPA FIP PRINCIPAL	0	702,042
IEPA FIP INTEREST	0	292,688
IEPA DIGESTER PRINCIPAL	545,395	559,115
IEPA DIGESTER INTEREST	91,607	77,887
<b>PRINCIPAL &amp; INTEREST TOTALS:</b>	<b>637,001</b>	<b>1,631,731</b>
<b>CAPITAL IMPROVEMENTS</b>		
PROPERTY ACQUISITION		
	SPENT/ESTIMATED TO SPEND	450,000
		500,000
<b>CAPITAL IMPROVEMENT PROJECTS</b>		
VEHICLE AND EQUIPMENT REPLACEMENT	0	39,434
SMALL CAPITAL PROJECTS	120,000	85,000
INFRASTRUCTURE UPGRADES	60,000	97,000
ROOF REPLACEMENTS	136,300	362,000
PLANT EQUIPMENT REHABILITATION	270,000	335,000
CRYO MAINTENANCE/ATMOSPHERIC VAPORIZER PURCHASE OR LEASE	20,000	20,000
MCC REPLACEMENTS	0	140,000
PLC REPLACEMENTS	0	130,000
UNOX DECK REPLACEMENTS	0	100,000
GRIT PUMP & SCREENING WASHER/CONVEYOR REPLACEMENT	0	310,000
FACILITIES PLAN UPDATE/ODOR CONTROL STUDY	18,690	0
ADMINISTRATION BUILDING HVAC REHABILITATION CONSTRUCTION	998,000	0
ADMINISTRATION BUILDING HVAC REHABILITATION CONSTRUCTION ENGINEERING	64,000	0
DUPAGE RIVER SALT CREEK WORKGROUP ASSESSMENT	265,000	273,000
RAS PUMP STATION REHABILITATION	0	180,000
FACILITY IMPROVEMENTS PROJECT	3,000,000	2,500,000
FACILITY IMPROVEMENTS PROJECT CONSTRUCTION ENGINEERING	150,000	150,000
BIOSOLIDS DEWATERING EQUIPMENT REPLACEMENT ENGINEERING	0	330,000
ELECTRIC SERVICE DISTRIBUTION SYSTEM REHABILITATION PROJECT CON. ENG	0	250,000
ELECTRIC SERVICE DISTRIBUTION SYSTEM REHABILITATION PROJECT	0	2,500,000
<b>CAPITAL IMPROVEMENTS TOTALS:</b>	<b>5,101,990</b>	<b>7,801,434</b>
<b>PRINCIPAL &amp; INTEREST / CAPITAL IMPROVEMENTS TOTALS</b>	<b>6,188,991</b>	<b>9,933,165</b>

# Appendix

CY2020

GLENBARD WASTEWATER AUTHORITY EQUIPMENT REPLACEMENT FUND

FUND 40		Actual CY18 Bdgt	Approved CY19 Bdgt	Estimated CY19 Bdgt	Budgeting CY20 Bdgt
5966	<b>Equipment Replacement Flow Split - Total = Half of the Whole</b>	<b>1,750,000</b>	<b>1,767,500</b>	<b>1,767,500</b>	<b>1,820,525</b>
	* Glen Ellyn Flow Split - 41.01%	777,875	752,248	752,248	746,597
	* Lombard Flow Split - 58.99%	972,125	1,015,252	1,015,252	1,073,928
	<b>Equipment Replacement Split in Equity - Total = Half of the Whole</b>	<b>1,750,000</b>	<b>1,767,500</b>	<b>1,767,500</b>	<b>1,820,525</b>
	Glen Ellyn Flow Split - 50%	875,000	883,750	883,750	910,263
	Lombard Flow Split - 50%	875,000	883,750	883,750	910,263
	<b>Total</b>	<b>3,500,000</b>	<b>3,535,000</b>	<b>3,535,000</b>	<b>3,641,050</b>

				Total Contributions	Percentage by Contribution
<b>Total Glen Ellyn Equipment Replacement Fund Contribution:</b>		<b>1,652,875</b>	<b>1,635,998</b>	<b>1,635,998</b>	<b>45.51%</b>
<b>Total Lombard Equipment Replacement Fund Contribution:</b>		<b>1,847,125</b>	<b>1,899,002</b>	<b>1,899,002</b>	<b>54.50%</b>

\* Indicates Current 5 Year Avg. Flow Split for CY2019





## ***Comments Pertaining to the Historical Value of the Equipment Replacement Fund***

- ~ As a condition of Grant funding, the United States Environmental Protection Agency required that an equipment replacement fund be established. The purpose of the replacement fund is to be sure adequate funds are in place to replace equipment and make improvements as they are needed
- ~ The 1985 Fred P. Johnson and Associates study recommended that a seven percent (7%) Sinking Fund be set up for equipment replacement. That meant that the fund would grow by seven percent (7%) each year. The Johnson study projected the Sinking Fund through FY 1991
- ~ In FY1986 the O&M Sinking Fund was established with contributions being made to Fund 27, Glenbard Wastewater Authority Operations and Maintenance Fund.
- ~ In 1988 a new Fund was created based off of the Johnson Study recommendations. This was Fund 28, Glenbard Wastewater Authority Capital Equipment Replacement Fund. Fund 27 was the depository for Fund 28 with Inter Fund Transfers (IFT's) being the vehicle to transfer needed funds into Fund 28. The Equipment Replacement Fund spreadsheet illustrates the deposits, transfers, splits and accumulations of the money.
- ~ In FY1992, after analyzing likely FY1992 - FY1997 equipment replacement needs, Glenbard Staff and the Executive Oversight Committee concluded that a five percent (5%) sinking fund will be adequate. It took four fiscal years between FY1992 and FY1996 to return to the contribution level of 1991. The Sinking Fund is shown as growing by five percent (5%) from FY1992 - FY1999.
- ~ A Facility Plan developed in FY(1998) caused the Glenbard Staff and the Executive Oversight Committee to commit to increasing the Sinking Fund to the Fred Johnson calculated values by FY2004.
- ~ The Sinking Fund was re-evaluated during the FY2007 budget discussions with Village Managers and Finance Directors when it was decided to no longer follow the recommended seven percent (7%) annual increase, but to evaluate the contribution on an annual basis. The Managers agreed to return to the seven percent (7%) annual increase in FY2008
- ~ The Sinking Fund was again evaluated during budget planning for FY2008 when the decision by Village Managers and Finance Directors moved the Authority away from dedicated annual contributions, but to evaluate the contribution annually. At this time Village Managers and Finance Directors agreed to reduce the annual contribution to the Sinking Fund. It took three fiscal years between FY2008 and FY2010 to return to the contribution level of FY2007.
- ~ FY2011 was the first year that the EOC agreed to change the budget format without an executed IGA. The change to the percentages regarding how the Regional Treatment System was constructed did nothing more than devalue the Glenbard Plant to create arbitrary funds and increase value in others.
- ~ FY 2013 is the third year the budget has been formatted without a supporting IGA. Both Village presidents agreed at the December 2011 EOC meeting that this would be the last budget formatted without a supporting IGA. If an agreeable funding mechanism cannot be achieved by November 2012 the budget will revert back to the 1998 IGA supporting the FY10 budget format
- ~ Beginning with the FY2013 Facility Plan the Capital Equipment Replacement Fund shall be funded with a mandatory ten percent (10%) increase from fiscal year to fiscal year through the 10 year plan as agreed to by the EOC. The increase to the Fund for FY2014 is actually eleven percent (11%). With this figure the period between FY2000 & FY2014 averages seven percent (7%) contribution.
- ~ FY2014 The Capital Equipment Replacement Fund 40 is utilizing a unique revenue split approved by both partners. The revenue split shall divide the agreed contribution in half, of which the first half shall be split 50% between partners. The second half of the agreed contribution will be split by the flow utilized to calculate the partners payments. A single Capital Fund (40) shall be used to expense all projects with the approval of the Executive Oversight Committee
- ~ SY2014, contribution which was originally the FY2015 contribution was scheduled to be \$2,970,000 based on a 12 month fiscal year. With the change to a calendar year format FY2015 was modified to a Stub Year (SY) due to the 8 month budget. The scheduled contribution for capital improvements for FY2015 of \$2,970,000 was reduced by 33% or 829,800 for a total contribution of \$1,960,200. This is shown as a 38% reduction on the schedule above. The following year CY2015 the contribution continues as scheduled indicating a \$1,306,800 or 40% increase over SY2014
- ~ CY2016 The Capital Equipment Replacement Fund 40 continues utilizing the unique revenue split approved by both partners. The revenue split shall divide the agreed contribution in half, of which the first half shall be split 50% between partners. The second half of the agreed contribution will be split by the flow utilized to calculate the partners payments. A single Capital Fund (40) shall be used to expense all projects with the approval of the Executive Oversight Committee
- ~ CY2019 Proposed 1% increase has been requested

**TABLE 1. TOTAL WASTEWATER FLOWS AND PERCENTAGES FOR CY2020 BUDGET**

	MONTH	TOTAL FLOW MILLION GALS (MG)	GLEN ELLYN FLOW (MG)	PERCENT OF TOTAL	LOMBARD FLOW (MG)	PERCENT OF TOTAL
Y e a r  O n e	Jan-14	343.023	153.652	44.79%	189.371	55.21%
	Feb-14	316.547	138.954	43.90%	177.593	56.10%
	Mar-14	520.731	228.751	43.93%	291.98	56.07%
	Apr-14	441.060	201.787	45.75%	239.273	54.25%
	May-14	553.185	257.255	46.50%	295.93	53.50%
	Jun-14	512.987	225.33	43.93%	287.657	56.07%
	Jul-14	436.204	187.492	42.98%	248.712	57.02%
	Aug-14	420.414	167.406	39.82%	253.008	60.18%
	Sep-14	318.223	134.549	42.28%	183.674	57.72%
	Oct-14	309.155	132.35	42.81%	176.805	57.19%
	Nov-14	266.985	115.666	43.32%	151.319	56.68%
	Dec-14	293.723	127.548	43.42%	166.175	56.58%
Y e a r  T w o	Jan-15	313.002	130.025	41.54%	182.977	58.46%
	Feb-15	260.791	112.78	43.25%	148.011	56.75%
	Mar-15	403.033	166.466	41.30%	236.567	58.70%
	Apr-15	398.814	173.456	43.49%	225.358	56.51%
	May-15	443.926	187.303	42.19%	256.623	57.81%
	Jun-15	540.440	240.244	44.45%	300.196	55.55%
	Jul-15	335.868	155.714	46.36%	180.154	53.64%
	Aug-15	312.778	136.548	43.66%	176.23	56.34%
	Sep-15	336.494	144.547	42.96%	191.947	57.04%
	Oct-15	258.499	112.427	43.49%	146.072	56.51%
	Nov-15	442.929	185.084	41.79%	257.845	58.21%
	Dec-15	624.384	274.565	43.97%	349.819	56.03%
Y e a r  T h r e e	Jan-16	448.026	198.793	44.37%	249.233	55.63%
	Feb-16	353.109	159.869	45.27%	193.240	54.73%
	Mar-16	463.285	192.650	41.58%	270.635	58.42%
	Apr-16	404.293	180.648	44.68%	223.645	55.32%
	May-16	606.741	253.696	41.81%	353.045	58.19%
	Jun-16	359.676	154.490	42.95%	205.186	57.05%
	Jul-16	328.681	138.818	42.23%	189.863	57.77%
	Aug-16	330.953	139.356	42.11%	191.597	57.89%
	Sep-16	252.565	109.721	43.44%	142.844	56.56%
	Oct-16	323.385	136.770	42.29%	186.615	57.71%
	Nov-16	280.226	124.145	44.30%	156.081	55.70%
	Dec-16	333.522	150.090	45.00%	183.432	55.00%
Y e a r  F o u r	Jan-17	384.403	156.180	40.63%	228.223	59.37%
	Feb-17	283.491	121.309	42.79%	162.182	57.21%
	Mar-17	428.291	163.067	38.07%	265.224	61.93%
	Apr-17	498.452	192.400	38.60%	306.052	61.40%
	May-17	524.012	218.211	41.64%	305.801	58.36%
	Jun-17	309.589	115.265	37.23%	194.324	62.77%
	Jul-17	313.630	112.004	35.71%	201.626	64.29%
	Aug-17	228.498	84.021	36.77%	144.477	63.23%
	Sep-17	201.378	75.029	37.26%	126.349	62.74%
	Oct-17	577.263	187.698	32.52%	389.565	67.48%
	Nov-17	391.068	136.452	34.89%	254.616	65.11%
	Dec-17	276.902	94.246	34.04%	182.656	65.96%
Y e a r  F i v e	Jan-18	381.492	122.602	32.14%	258.890	67.86%
	Feb-18	502.867	175.046	34.81%	327.821	65.19%
	Mar-18	373.514	138.570	37.10%	234.944	62.90%
	Apr-18	372.669	141.336	37.93%	231.333	62.07%
	May-18	481.336	186.327	38.71%	295.009	61.29%
	Jun-18	477.075	186.258	39.04%	290.817	60.96%
	Jul-18	251.469	106.069	42.18%	145.400	57.82%
	Aug-18	280.070	103.967	37.12%	176.103	62.88%
	Sep-18	290.026	110.434	38.08%	179.592	61.92%
	Oct-18	459.853	124.849	27.15%	335.004	72.85%
	Nov-18	295.224	123.642	41.88%	171.582	58.12%
	Dec-18	382.605	161.226	42.14%	221.379	57.86%
<b>AVERAGE</b>		<b>380.881</b>	<b>156.086</b>	<b>41.01%</b>	<b>224.795</b>	<b>58.99%</b>

# **SECTION 11.0**

# **OTHER BUSINESS**

**SECTION 12.0**

**ADJOURNMENT**