



# DuPage Water Commission

## Fiscal Year 2016-2017 Budget

May 1, 2016 to April 30, 2017

DuPage County Board  
Presentation

May 10, 2016

Jim Zay  
Chairman

John F. Spatz Jr.  
General Manager

# Board of Commissioners

- Jim Zay, Chairman
- Mayor Jeffery Pruyn, Itasca, Municipal District 1
- David Novotny, County District 1
- Mayor Joseph Broda, Lisle, Municipal District 2
- Daniel Loftus, County District 2
- Joseph Fennell, Municipal District 3
- Michael Scheck, County District 3
- Philip Suess, Municipal District 4
- Robert Gans, County District 4
- Richard Furstenau, Municipal District 5
- Laura Crawford, County District 5
- Mayor Frank Saverino, Carol Stream, Municipal District 6
- David Russo, County District 6

Treasurer – William Fates

Financial Administrator – Cheryl Peterson

# DuPage Water Commission Efficiencies

- Reduced staffing levels
  - FY 2011/12 – **38 FTE**                      FY 2016/17 – **34 FTE**
- Reorganized and redefined job duties to increase workforce efficiencies and accountability
- Reduced cost by contracting out some functions where full time staff was not needed
- Realized significant savings by completing projects with in-house workforce which were previously planned to be contracted out
- Eliminated most built in overtime cost
  - FY 2011/12 - **\$234K**                      FY 2106/17 - **\$137K**
- Implemented performance metrics and benchmarking
- Negotiated new Electrical Supply contracts
  - In 2011, producing \$275,000 savings annually through May 1, 2014
  - In 2014, producing an additional \$225,000 savings annually through May 1, 2016
  - In 2016, producing an additional \$55,000 savings annually through May 1, 2018

# Debt Activity from 2011 to Present

## 2011

- **\$30M** at West Suburban
  - Maturity 12/2015
  - Interest Rate 2.5%
- **\$40M** at Northern Trust
  - Maturity 2011
  - Interest Rate 4.0%
- **\$72M** in Revenue Bonds
  - Final Payment May 1, 2016
  - Average Interest Rate over 5%
- Total Debt Outstanding - **\$142M** with an avg interest rate **over 4%**

## Present

- **\$0M** at West Suburban
  - Interest Rate renegotiated to 1.5% - Savings over \$2M
- **\$0M** at Northern Trust
  - Maturity 2016 –expected to be paid in full in 2015
  - Interest Rate renegotiated twice currently averaging under 1% - Savings over \$5M
- **\$0M** in Revenue Bonds
  - **Final Payments April of 2016**
  - Refinanced in 2013 when they became callable -Average Interest Rate – 0.98% Savings over \$3M
- Total Debt Outstanding - **\$0M**

# Investment & Reserve Activity

## 2011

- As of April 30, 2011 - \$69.9M of investments
  - Over \$57M was invested with IL Funds and \$11M in US Treasury Notes
  - Average Interest rate of 0.059% (on the \$57M invested)
- Reserve accounts were based upon debt ordinance requirements and board designations.

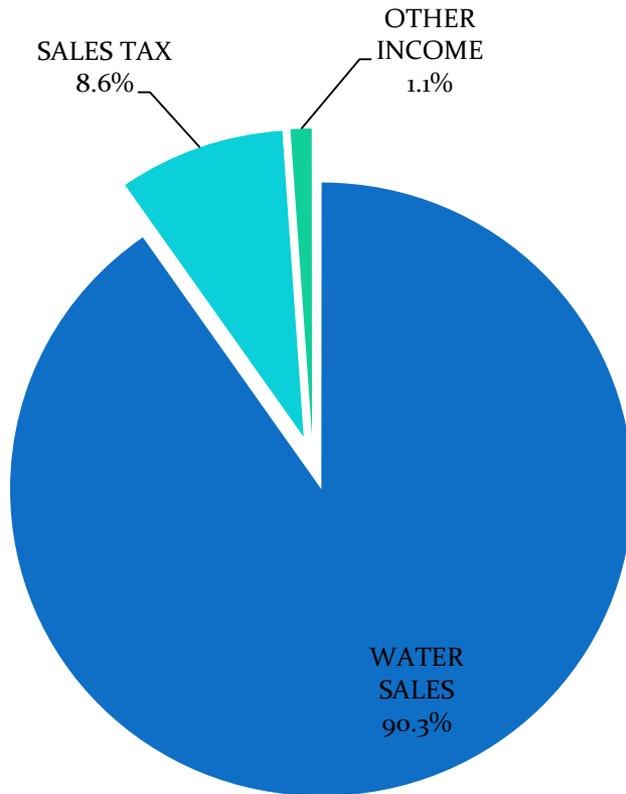
## Present

- As of March 31, 2016 - \$134.5M of investments
  - Diversified Investment portfolio
    - US Treasury Notes, US Agency, CP and Municipal Bonds
  - Approximate market yield 1.02%
- Reserves were reorganized upon debt refinancing and sales tax sunseting.
  - Reserve accounts now include an operating reserve, capital reserve and a long-term capital reserve.

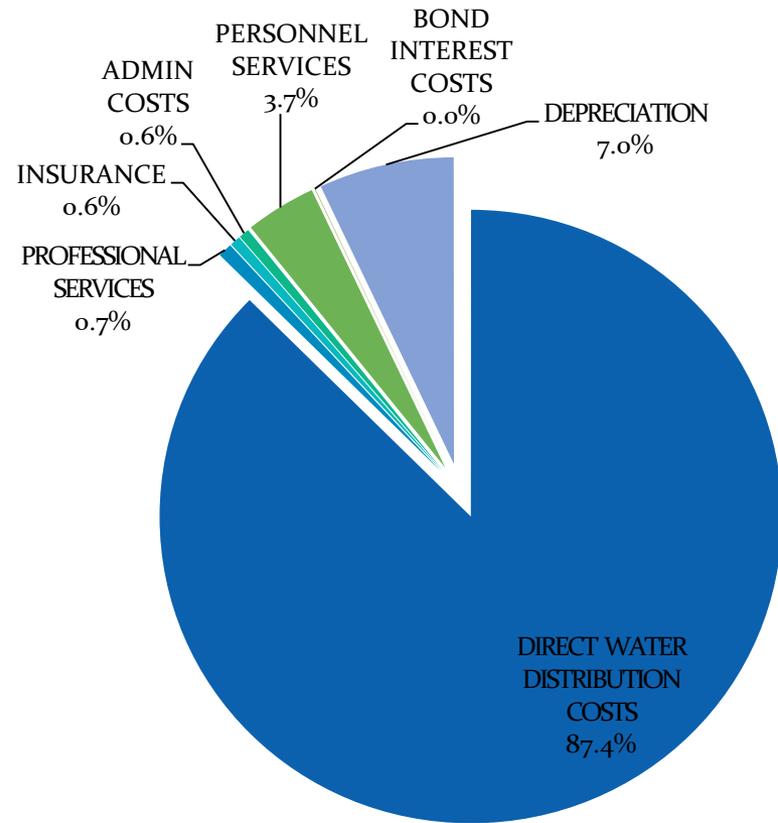
# DuPage Water Commission

## 2016/2017 Budget Projections

Revenues \$133,936,377



Expenses \$120,818,543



## DuPage Water Commission – Management Budget Trends

Account Title	11-12 Budget	12-13 Budget	13-14 Budget	14-15 Budget	15-16 Budget	16-17 Budget
<b>Revenues:</b>						
Water Sales	\$57,345,376	\$79,254,842	\$94,185,521	\$109,793,259	\$124,754,329	\$120,998,838
Fixed Costs	7,144,594	7,144,729	7,144,729	7,143,137	0	0
Sales Tax	31,014,000	31,399,519	32,299,519	33,000,000	34,742,000	11,500,000
Other	1,564,576	1,783,625	1,469,986	1,555,477	1,280,362	1,437,539
<b>Total Revenues</b>	<b>97,068,546</b>	<b>119,582,715</b>	<b>135,099,755</b>	<b>151,491,873</b>	<b>160,776,691</b>	<b>133,936,377</b>
<b>Operating Expenditures:</b>						
Personnel Services	4,257,437	3,871,225	3,882,622	4,091,039	4,301,486	4,437,209
Professional Services	826,500	824,700	923,300	879,760	918,600	895,700
Insurance	740,044	668,844	621,500	633,200	659,800	659,800
Administrative Costs	1,031,495	732,733	739,218	629,765	631,991	649,801
Distribution Costs	8,536,755	6,667,950	5,867,475	5,782,675	5,161,445	4,962,845
Interest Costs	5,973,115	5,305,680	1,974,100	901,500	581,000	41,900
<b>Total Operating Expenditures</b>	<b>21,364,346</b>	<b>18,071,132</b>	<b>14,008,215</b>	<b>12,917,939</b>	<b>12,254,322</b>	<b>11,647,255</b>
Water Purchases	58,894,164	74,941,475	84,499,079	95,179,049	102,746,211	100,691,288
Depreciation	6,961,405	7,904,000	7,982,700	8,259,700	8,260,000	8,480,000
<b>Total Expenditures</b>	<b>87,220,915</b>	<b>100,916,607</b>	<b>106,489,994</b>	<b>116,356,688</b>	<b>123,260,533</b>	<b>120,818,543</b>
<b>Net Operating</b>	<b>9,847,631</b>	<b>18,666,108</b>	<b>28,609,761</b>	<b>35,135,185</b>	<b>37,516,158</b>	<b>13,117,834</b>
<b>Capital Expenditures</b>	<b>484,975</b>	<b>2,405,282</b>	<b>5,193,391</b>	<b>4,878,391</b>	<b>7,123,920</b>	<b>8,095,000</b>

# DuPage Water Commission

## 2016 – 2021 Capital Improvement Plan

Projects	2016-17	2017-18	2018-19	2019-20	2020-21
<b>DuPage Pump Station</b>					
Addition of Pump # 10		\$60,000	\$900,000		
Replacement of SCADA System	\$3,040,000	\$2,000,000			
BackHaul Radio		\$450,000			
Security System Upgrades		\$1,000,000			
High lift Pump Rehab	\$250,000	\$250,000	\$250,000		
Admin Bldg./Pump Station Building Rehab	\$600,000			\$2,000,000	\$2,000,000
Disinfection Facility Rehab			\$523,740		
E & W Effluent Vault Rehab			\$123,540		
Reservoir Influent Building Rehab			\$170,520		
Replacement of Roof-Mounted Exhaust Fans					\$300,000
Replacement of Wall-Mounted Supply Fans					\$300,000
Replacement of Chillers					\$150,000
<b>Distribution System</b>					
Standpipe Painting	\$3,000,000	\$1,500,000			
Standpipe Mixing	\$30,000				
Meter Station Rehab		\$800,000			
Condition Assessment	\$800,000				
Rehab/Replacement of ROV's	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Cathodic Protection Construction FY 18/19			\$1,094,495		
Cathodic Protection Construction FY 19/20				\$2,000,000	
Cathodic Protection Construction FY 20/21					\$1,094,495
Distribution System Upgrades			\$1,000,000	\$1,000,000	\$1,000,000
Meter Replacement	\$250,000	\$400,000	\$400,000		

\$8,095,000    \$6,585,000    \$4,587,295    \$5,125,000    \$4,969,495

**Five Year Capital Cost Total = \$29,361,790**

# DuPage Water Commission

With the approval of this budget-

- After the last payments in April of 2016, is debt free for the first time
- After June 1, 2016, will no longer be collecting any taxes
- Has decreased its total operating budget for the fifth straight year, which excludes water purchases and depreciation
- Has lowered the rate it charges its customer for water for the second straight year
- Has made additional pension contributions to fully-fund its pension obligation
- Has become a self-sustaining water utility and model government agency



Questions