



**Metropolitan Water Reclamation  
District of Greater Chicago  
2017 Budget  
MOVING DOWN THE TRACK**

**Executive Director's  
Recommendations**  
October 11, 2016





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Metropolitan Water Reclamation District of Chicago  
Illinois**

For the Fiscal Year Beginning

**January 1, 2016**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Metropolitan Water Reclamation District of Greater Chicago, Illinois for its annual budget for the fiscal year beginning January 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The Metropolitan Water Reclamation District of Greater Chicago received special recognition in the category of Performance Measures.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



# Metropolitan Water Reclamation District of Greater Chicago

# 2017 Budget

## MOVING DOWN THE TRACK

## Executive Director's Recommendations

October 11, 2016

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### BOARD OF COMMISSIONERS



*Seated, from left to right:*

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VICE PRESIDENT

**Mariyana T. Spyropoulos**  
PRESIDENT

**Frank Avila**  
CHAIRMAN OF FINANCE

*Standing, from left to right:*

**David J. Walsh**

**Cynthia M. Santos**

**Debra Shore**

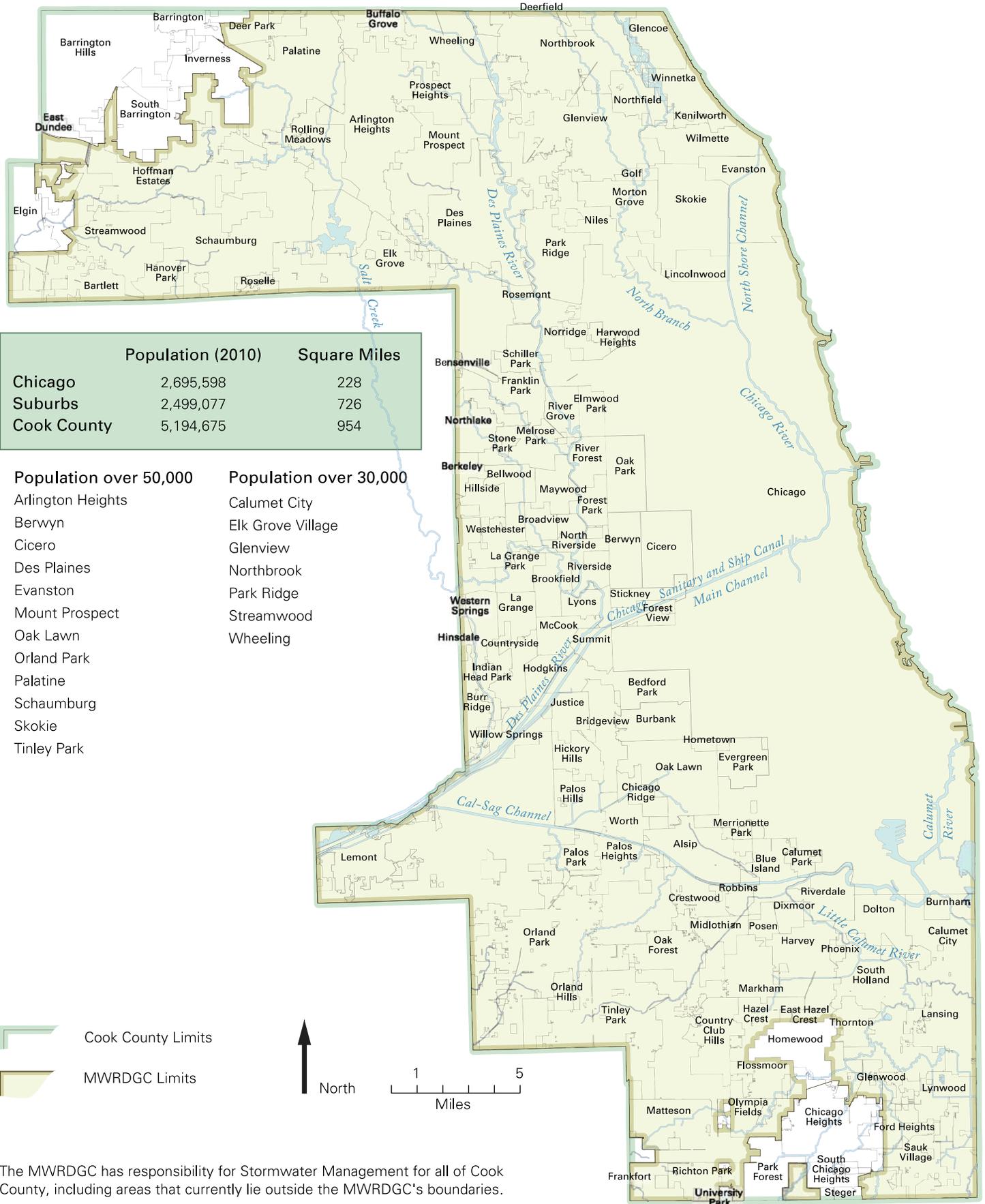
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# Cook County and Metropolitan Water Reclamation District of Greater Chicago



The MWRDGC has responsibility for Stormwater Management for all of Cook County, including areas that currently lie outside the MWRDGC's boundaries.

## **DESCRIPTION OF THE METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO: ITS HISTORY, LOCATION, SIZE, POPULATION, AND TYPE OF GOVERNMENT**

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### **Origin and History**

The Metropolitan Water Reclamation District of Greater Chicago (District) is an independent government and taxing body encompassing approximately 91 percent of the land area and 98 percent of the assessed valuation of Cook County, Illinois.

The District is a separate legal entity sharing an overlapping tax base with the City of Chicago, the Chicago Board of Education, the County of Cook, the Cook County Forest Preserve District, the Chicago Park District, the Chicago Public Building Commission, the Cook County Community College District, and various municipalities and school districts outside the City of Chicago but within the District's boundaries.

The District was originally organized as the Sanitary District of Chicago in 1889 under an act of the Illinois General Assembly, which has been modified from time to time to increase the District's authority and jurisdiction. The enabling act in 1889 was in direct response to a long standing problem with contamination of the water supply and nuisance conditions of the rivers. The District reversed the flow of the Chicago and Calumet River Systems to stop the discharge of sewage to Lake Michigan and instead, discharge it to the Des Plaines River, where it could be diluted as it flowed into the Illinois River and eventually the Mississippi River. Prior to the District's construction of a 61.3 mile system of canals and waterway improvements, the Chicago and Calumet River Systems were tributaries to Lake Michigan. These river systems are now tributaries to the Illinois River system.

From 1955 through 1988, the District was called The Metropolitan Sanitary District of Greater Chicago. In order to provide a more accurate perception of the District's current functions and responsibilities, the name was changed effective, January 1, 1989, to the Metropolitan Water Reclamation District of Greater Chicago.

### **Mission and Responsibilities**

The mission of the District is to protect the health and safety of the public in its service area, protect the quality of the water supply source (Lake Michigan), improve the quality of water in watercourses in its service area, protect businesses and homes from flood damages, and manage water as a vital resource for its service area.

The District collects wastewater from municipalities in its service area, conveys it to wastewater reclamation plants, provides full secondary treatment, and discharges clean water to local waterways. The District is also responsible for stormwater management for all of Cook County, including areas outside of the District's corporate boundaries for wastewater services.

### **Services**

The District's seven modern water reclamation plants provide excellent treatment for residential and industrial wastewater, meeting permitted discharge limits virtually at all times. The treatment process is protected by a pretreatment program to guard against hazardous substances and toxic chemicals. These are strictly regulated pursuant to federal and state requirements. The District routinely monitors industries and non-residential sources to assure that wastes are disposed of in an environmentally responsible and lawful manner.

Treated wastewater, along with runoff from rainfall, enters local canals, rivers, and streams that serve as headwaters of the Illinois River system. Stormwater in the separate sewer area is controlled to reduce flood damages by a number of stormwater detention reservoirs. In the combined sewer area, the District's Tunnel and Reservoir Plan (TARP) has significantly reduced basement backup and overflows to local waterways.

Flow within the District's waterway system and the Lake Michigan discretionary diversion flow are controlled by three inlet structures on Lake Michigan: the Wilmette Pumping Station, the Chicago River Controlling Works, and the O'Brien Lock and Dam. The single outlet control structure is the Lockport Lock and Powerhouse.

While exercising no direct control over wastewater collection systems owned and maintained by cities, villages, sewer districts, and utilities, the District does control municipal sewer construction by permits outside the City of Chicago. It also owns a network of intercepting sewers to convey wastewater from the local collection systems to the water reclamation plants.

### **Facilities**

The District is located primarily within the boundaries of Cook County, Illinois. The District serves an area of 882.1 square miles, which includes the City of Chicago and 128 surrounding suburban communities. The District serves an equivalent population of 10.35 million people; 5.25 million real people, a commercial and industrial equivalent of 4.5 million people, and a combined sewer overflow equivalent of 0.6 million people. The District's 560 miles of intercepting sewers and force mains range in size from 6 inches to 27 feet in diameter, and are fed by approximately 10,000 local sewer system connections.

The TARP is one of the country's largest public works projects for pollution and flood control. Four tunnel systems total 109.4 miles of tunnels, 8 to 33 feet in diameter and 150 to 300 feet underground. The tunnels are planned to empty into three large reservoirs to provide storage for the polluted water captured by TARP.

**DESCRIPTION OF THE  
METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO:  
ITS HISTORY, LOCATION, SIZE, POPULATION, AND TYPE OF GOVERNMENT**

The District owns and operates one of the world’s largest water reclamation plants, in addition to six other plants and 22 pumping stations. The District treats an average of 1.3 billion gallons of wastewater each day. The District’s total wastewater treatment capacity is over 2.0 billion gallons per day.

The District controls 76.1 miles of navigable waterways, which are part of the inland waterway system connecting the Great Lakes with the Gulf of Mexico. It also owns and operates 34 stormwater detention reservoirs to provide regional stormwater flood damage reduction.

In conjunction with its biosolids beneficial utilization of farm land application program, the District recycles all of its biosolids through land application in northeast Illinois, and owns over 13,500 acres of land in Fulton County, Illinois, formerly used for biosolids application.

**Governance**

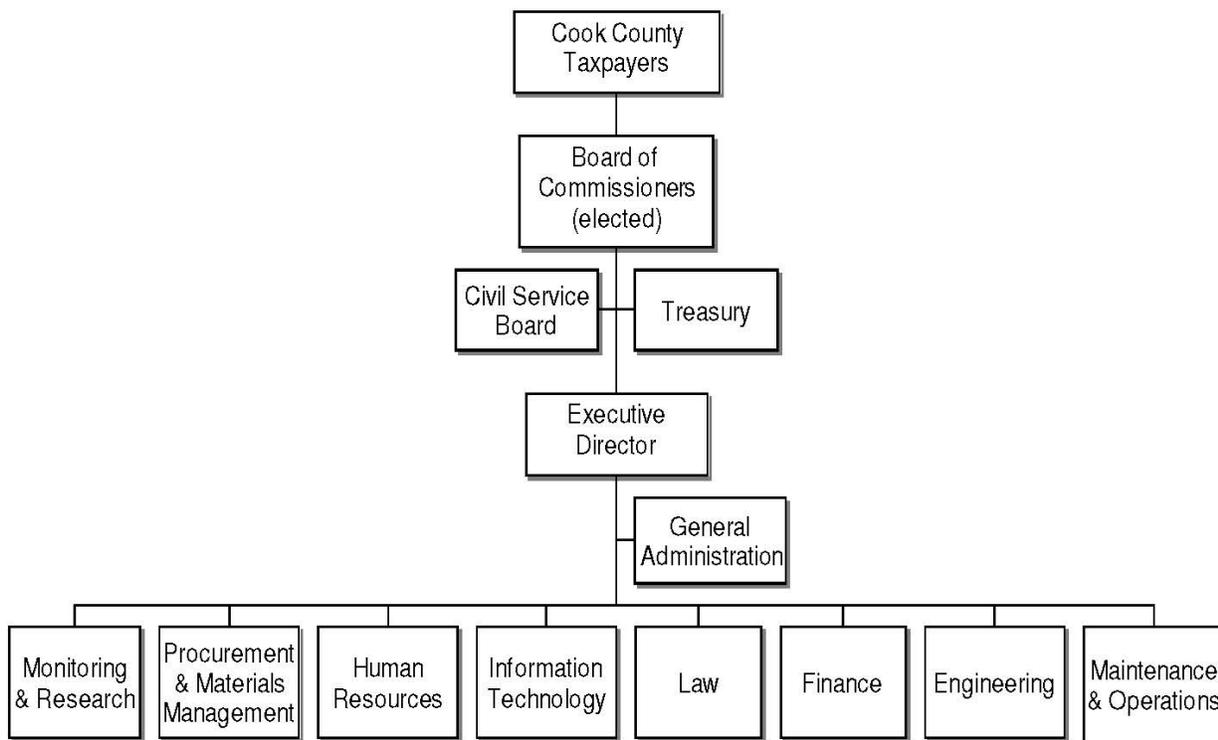
The District is governed by a nine-member Board of Commissioners (Board). Commissioners are elected at large and serve on a salaried basis. Three Commissioners are elected every two years for six-year terms. Biannually, the Board elects from its membership a President, Vice President, and Chairman of the Committee on Finance.

**Organization Structure**

The Executive Director, who reports directly to the Board, manages the District’s day-to-day operations. Eight appointed department heads report to the Executive Director.

The Treasurer of the District, its chief financial officer, is appointed by and reports directly to the Board.

General Administration, which includes the Administrative Services Division, Diversity Section, and Public Affairs Section are direct staff and support units, reporting to the Executive Director.



# HOW TO USE THE DISTRICT’S BUDGET

The organization and presentation of the District’s Budget is designed to satisfy the needs of citizens, public officials, and District employees. It is organized in compliance with the Illinois Compiled Statutes and structured to meet external and internal managerial needs. As a comprehensive management and balanced financial plan, this document describes the programs, services, and resources the District provides, as well as policies and long-run financial plans.

The District’s Budget is organized as follows:

- 1) By Appropriation and Tax Levy Ordinances. Enacted by the Board of Commissioners under the authority of the Illinois Compiled Statutes, these are the legal authority allowing the District to carry out its legally mandated mission.
- 2) By Funds. These are the accounting entities segregating sums of money or other resources for the purpose of carrying on specific activities or government functions in accordance with certain legal restrictions or limitations.
- 3) By Department. These are the primary organizational units of the District.

The District’s Budget is presented in various sections, each providing the reader with specific information related to the District’s financial plans and services.

The sections are presented as follows:

- I. **BUDGET FOREWORD**. An introductory section that contains: the Executive Director’s Budget Message; Strategic Business Plan; narratives on operational goals and accomplishments, major issues, policy and program changes; Budget Highlights; Financial Policies, Objectives, and Accomplishments; Policy Development and the Budget Process; and the beginning of the annual Appropriation Ordinance, which gives the Budget legal authority. The full Appropriation Ordinance consists of pages 34 and 35 and sections II through VII.
- II. **BUDGET AND FINANCIAL SUMMARIES, SCHEDULES, AND EXHIBITS**. These provide an overview of the District’s Budget and financial plans of the past, present, and future, including proposed tax levies, revenues, and appropriations.
- III. **FINANCIAL STATEMENTS BY FUND**. These contain detailed information on taxes and all other sources of revenue and expenditure, plus financial statements detailing current assets, current liabilities, and the amount of assets available for appropriation in 2017.
- IV. **CORPORATE FUND**. These present detailed information by department, and priority of activities, objectives, programs, performance measures, proposed line item expenditures, and staffing. The legend to the right shows the placement of data within the text boxes of the organizational charts. Each department provides actual, budgeted, and proposed full-time equivalent (FTE) positions over a three year period. Salary ranges for pay plans and grades, as shown in the Position Analysis, are included in the Appendix.
 

Organization Unit Number		
Organization Unit Name		
2015	2016	2017
FTE	FTE	FTE
Count	Count	Count
Actual	Budgeted	Proposed
- V. **CAPITAL BUDGET**. The District’s current and long-term programs for capital construction, modernization, and rehabilitation are detailed in the Construction Fund and Capital Improvements Bond Fund.
- VI. **STORMWATER MANAGEMENT FUND**. The District’s current and long-term programs for the Stormwater Management Fund are detailed.
- VII. **OTHER FUNDS**. Information detailing the Reserve Claim Fund, Bond Redemption and Interest Sinking Funds, and the MWRD Retirement Fund are provided in this section.
- VIII. **TAX LEVY ORDINANCES**. These present the financial and management plan of the District as a legal document which coordinates and establishes the legal authority for the District to obtain and expend funds during the fiscal year.
- IX. **APPENDIX**. Information detailing the District’s compensation plan, glossaries, acronym list, awards, and organizational memberships.

To aid the reader in finding specific information quickly, there is a Table of Contents inserted on the manila tabbed divider before each section.

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# SECTION I

## BUDGET FOREWORD

This section introduces the budget with explanations of the organization and structure of the District's Budget. It also presents an overview of the substance of the 2017 Budget. It includes the following:

- In the *Budget Message*, the Executive Director discusses his 2017 Budget Recommendations.
- In the *Strategic Business Plan*, an update of the strategic business plan is presented.
- The *Budget Message/Highlights* section includes a statement of the District's operational goals and accomplishments and a narrative on major issues, policy, and program changes. It is in this section that broad policy, program objectives, and operational accomplishments are defined.
- In the *Financial Policies, Objectives, and Accomplishments* section, an overview of the financial guidelines and accomplishments of the District is presented.
- The *Policy Development and the Budget Process* section describes policy development and the total budget process. The detailed budget process is presented in 13 clearly stated steps with a flowchart of the budget cycle.
- The *Annual Appropriation Ordinance* gives legal effect to the entire budget document as enacted into law by the Board of Commissioners under authority of the Illinois Compiled Statutes. It includes an explanation of the crosshatch (#) symbols used with some personnel positions within the budget, indicating changes to positions once vacated.

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Metropolitan Water Reclamation District of Greater Chicago

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October 11, 2016

**EXECUTIVE DIRECTOR’S BUDGET MESSAGE FOR 2017**

Honorable Ladies and Gentlemen:

The year 2017 marks the third year of the strategic business plan adopted in 2015, Recovering Resources, Transforming Water. This year’s budget carries the theme “Down the Track.” Several of the visions of the past have come to fruition this year as Thornton Reservoir was placed in service, the disinfection facilities at O’Brien and Calumet WRP’s operated this year, the phosphorus recovery facility at Stickney was placed in operation, the ANITA™ Mox treatment system was started up at Egan, Space to Grow transformed several new school yards and stormwater projects are protecting citizens throughout Cook County,

to name a few. These accomplishments encompass visions from the past and new visions that have been incorporated into our program in the past few years. Progress is rolling along as we continue down the track.



*The first section of the McCook Reservoir, holding 3.5 billion gallons, is nearing completion in 2017. The reservoir is the final component of the Metropolitan Water Reclamation District of Greater Chicago’s Tunnel and Reservoir Plan.*

The accomplishments of 2015 and 2016 have made steady progress toward the six goals established in the strategic plan and provide a foundation necessary to achieve the remaining goals and objectives. 2017 will be an exciting year for the District as many milestones will be reached. The first stage of the McCook Reservoir will be coming online with a capacity of 3.5 billion gallons, the final component of the Tunnel and Reservoir Plan (TARP) to be completed, and work will continue on the second stage scheduled to be completed in 2029. The District’s resource recovery efforts that began in 2016 will continue and expand production during 2017, while the District continues development and implementation of stormwater and green infrastructure projects to address local flooding issues.

I am pleased to present the 2017 budget recommendation, which represents a comprehensive plan to meet the strategic business plan’s goals in a fiscally responsible

manner. The Corporate Fund budget recommendation remains virtually flat to the 2016 appropriation, increasing by 0.2 percent as we continue to prioritize spending while controlling cost increases. The budget recommendation includes reducing 21 positions District-wide as we continue to balance rising personnel costs with departmental reorganizations and succession planning that will prepare the District for the future.

The District operates a fiscally sound organization, maintaining a AAA bond rating with Fitch Ratings and AA+ bond rating from Standard & Poor’s. Contributing to strong credit ratings, the District’s funding policies for both the Retirement Fund and Other Postemployment Benefits fund exemplify the District’s commitment to fiscal management. Solid ratings led to strong investor confidence at the District’s 2016 bond sale, resulting in excess of \$120 million in savings on future debt service as the District was able to take advantage of 51-year-low interest rates. This accomplishment, in the midst of an uncertain Illinois financial environment, is an outstanding achievement and speaks to the careful, thoughtful management of the agency as directed by the District’s Board of Commissioners.

### Environmental Leadership

The District has continued its environmental leadership focus with a commitment to improving water quality of the Chicago Area Waterway System (CAWS). In 2015, all seven of the water reclamation plants were 100 percent compliant in meeting National Pollutant Discharge Elimination System permits, leading to National Association for Clean Water Agencies Platinum Peak Performance Awards for five of the seven plants, with similar results anticipated for 2016. Disinfection upgrades were implemented at the Calumet Water Reclamation Plant in 2015, and an ultraviolet radiation disinfection system was introduced at the O'Brien Water Reclamation Plant in 2016.

To prevent or reduce accidental pharmaceutical contamination of streams, rivers, and lakes, the District has installed permanent drug take-back boxes in District facilities, as well as partnering with the U.S. Drug Enforcement Administration and the Cook County Sheriff's Office on similar programs.

### Stormwater Management

Historic rain patterns consisting of intense, short bursts that overwhelm community systems, have continued in the region. Flooding continues to be the number one issue facing the District. To support solutions for local stormwater issues, the Stormwater Management Fund 2017 budget recommendation increases appropriations over 2016 by 11.1 percent. The Stormwater Management Program is aggressively working to minimize flooding damage by helping communities with local flooding issues, voluntary acquisition of flood-prone properties, and partnering with municipalities or other local governments on large capital and green infrastructure projects. The District currently has nearly 100 stormwater projects under way, including 13 Intergovernmental Agreements for the construction of large stormwater projects throughout the County and six intergovernmental agreements to acquire 132 flood-prone residential structures.

The District is working to promote the Residential Cost Share Program (HB 4659) with the Illinois General Assembly, which aims to reduce basement backup flooding of residences and eliminate infiltration and inflow from the sewer system. The proposed legislation would allow the District to provide funding to support work on private property, creating a cost share program with local municipalities for residential improvements. A pilot program with the City of Chicago is planned for 2017 that will demonstrate that it is more cost effective to install backflow preventers or overhead plumbing than to construct additional infrastructure.

Cost effective stormwater management strategies include a mix of large and small projects. Since 2004, the District has distributed more than 72,000 rain barrels and encourages homeowners to disconnect downspouts to keep rain runoff out of the sewer system. In 2016, the District distributed more than 14,000 oak tree saplings as part of the "Restore the Canopy, Plant a Tree" initiative, driven by the devastation of the emerald ash borer and extreme weather events that have led to the loss of approximately 13 million trees. Partnering with 25 municipalities, 30 schools, and 46 community groups, the tree program seeks to reduce the urban heat island effects, absorb carbon gases, improve habitat for wildlife, and manage stormwater.

### Resource Recovery

The District understands the obligation to implement sustainable practices and has invested in research and development of resource recovery programs. In 2016, the District accomplished two major milestones in resource recovery. First, in partnership with Ostara Nutrient Recovery Technologies, the District opened the world's largest nutrient recovery facility at the Stickney Water Reclamation Plant. Phosphorus and nitrogen recovery will provide significant environmental benefits to the CAWS and downstream through the Mississippi River to the Gulf of Mexico. Excess phosphorus in waterways can cause algae to grow and bloom, creating toxic conditions that destroy aquatic life and severely limit recreational activities. Ostara's technology recovers phosphorus and nitrogen to create a high value fertilizer, Crystal Green, that is both economically and environmentally viable.

Secondly, due to changes in Illinois law in 2015, the District can sell Exceptional Quality (EQ) biosolids and EQ biosolids blend that is composted with wood chips to



*Biosolids are delivered by train from the Stickney Water Reclamation Plant to the Lawndale Avenue Solids Management Area, where they are mixed with wood chips to produce high quality compost.*

the general public. Biosolids can be used almost anywhere that soil amendments and chemical fertilizers are used. In addition to revenue from the sale of biosolids, the District will also save on disposal costs.

The District continues development of algae processes for nutrient removal and harvest that can be utilized in the manufacture of a variety of products such as biofuels and bioplastics.

During 2017, the District will continue to evaluate processes and design treatment processes to optimize energy efficiency in order to reach our goal of energy neutrality by 2023. In addition to implementing a food to energy program that will maximize use of digester capacity, the District is marketing electrical capacity at the Lockport Powerhouse, optimizing aeration processes that will reduce energy consumption by 25 percent, and introducing solar thermal and sewer thermal systems to heat water at the water reclamation plants.



Lab Tech I Maricela Sabido demonstrates the algae process for nutrient removal.

**Recovering Resources, Transforming Water**

On June 16, 2016, the District held a public meeting to kick off the budget season and receive feedback to incorporate changes into the 2015 – 2020 Strategic Business Plan. The six goals, and the strategies to meet them have not changed and represent the major focus areas for staff as we seek to move forward the vision of *Recovering Resources, Transforming Water*.

**Add Value.** *Every employee at the District will look for opportunities to add value.*

There are three main strategy areas of focus within this goal. These areas are customer service opportunities, real estate, and service levels between departments. The idea behind this goal is to advance the understanding of results versus task orientation. Every employee within the District should understand the end goal of the activity and perform the job with results in mind. Instead of merely performing tasks, the organization should understand the reason behind the activity and strive for the target.

**Excellence.** *Nothing of consequence is accomplished without enthusiasm.* Everything must work reliably. Our finances should be managed in an excellent manner, ensuring value for every dollar spent. Our processes should be optimized within our plants to ensure resources are not wasted. We should have a sense of urgency in the delivery of services to our constituents. Every employee should understand their value and role within the organization.



The District’s “Restore the Canopy, Plant a Tree” program was aided by Crystal Green fertilizer, the product made from phosphorus and nitrogen recovered at the Stickney Water Reclamation Plant.

**Resource Recovery.** *The District will pursue recovery of natural resources.* This goal focuses on four resources – water, phosphorus, biosolids, and energy. The District has a potential revenue stream of \$70 million annually through resource recovery. These projects have significant environmental impact as well. These initiatives will play a role in advancing stability at the District and encouraging thoughtful action within the community.

**Develop Employees.** *Value is measured through personal contribution and growth.* Every employee at the District should be valued. As such, the focus to invest in the personal growth of each employee remains a critical component of the 2015 plan.

**Leading Partnerships.** *We recognize the importance of active involvement in the world around us.* The District is a leader in water and resource recovery management. We need to strategically lead in our communities, state and nation. Having

the top staff in the country does not come without responsibility. The District recognizes this responsibility and is positioned to take leadership roles within the community we serve.

**Technology.** *The District will embrace a new era of technology that delivers reliable and useful information.* This initiative recognizes the importance of useful technology tools that are needed to promote the District in all of our efforts. Utilizing information to be transparent and to provide guidance to the organization is critical to our future success.

I hope you will take the time to review the 2017 update to the Strategic Business Plan in full on the following pages. The challenges are many. Our role is clear. We are committed as an agency to continue providing the excellent service expected of the District.

**Financial Summary**

The 2017 five-year financial plan was developed to maintain budgetary fund balances at policy levels using the Strategic Business Plan as a guideline to establish priorities. The operation, maintenance, and investment in the District’s infrastructure, and other essential services will continue to receive primary focus, while some discretionary activities and non-essential services will be reduced. The District has been aggressive over the past year in addressing some of the primary drivers of the budget, including energy costs, personnel and health care costs, and pension obligations.

These recommendations continue our conservative fiscal management and include the policies, objectives, and resources to allow the District to remain true to our core mission of protecting our water environment and the health of the residents of Cook County.

The District’s appropriation and tax levy for 2017 as recommended, compared to the 2016 Budget as adjusted is:

	<u>2017</u>	<u>2016 (Adjusted)</u>	<u>Increase / (Decrease)</u>	<u>Percent Change</u>
Total Tax Levy	\$ 595,027,331	\$ 571,583,132	\$ 23,444,199	4.1
Aggregate Levy	320,284,200	310,348,797	9,935,403	3.2
Appropriation	\$ 1,131,832,375	\$ 1,244,135,730	\$ (112,303,355)	(9.0)

The aggregate levy is statutorily limited to an annual increase of five percent or the Consumer Price Index (CPI), whichever is lower. The increase in the 2017 aggregate levy is equal to the estimated CPI plus new property for 2017.

Respectfully submitted,



David St. Pierre  
Executive Director

# STRATEGIC BUSINESS PLAN

## Recovering Resources, Transforming Water

### 2017 UPDATE TO THE 2015-2020 STRATEGIC BUSINESS PLAN

In 2015, the Executive Team reviewed the 2011–2014 strategic plan and determined that the goals and strategies had been significantly advanced. The vision to “Improve Our Environment” in the areas of Finance, Employee, Public, and Natural Environments served the District well. Although it remains important to keep our eyes focused on these areas to ensure that we continue to maintain excellence, the team set new goals for the next five years.

On June 16, 2016, the District held a public meeting to kick off the budget season and to present to the Board of Commissioners (Board) the draft Strategic Business Plan (SBP) update that was developed for 2017. The Executive Team had previously performed a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) and from this information formed goals and strategies for the plan. At the public meeting, staff received input from the Board and the public and incorporated these comments into the plan. It was clear that the Board wants to make certain that we maintain the improvements made in the four areas of focus.

During the past SBP, the District passed a Watershed Management Ordinance and a new infiltration and inflow program. These programs are aimed at improving flood controls throughout the county and maintaining important infrastructure. The District also received additional authority from the Illinois General Assembly authorizing local support to flood mitigation projects and the purchase of flood prone properties – two important tools that are used in our work to protect the community from the impacts of severe storms.

During the current SBP cycle, Thornton Composite Reservoir came online and the first phase of McCook Reservoir will also be placed in service. This dynamic duo will provide over 10 billion gallons of flood protection to residents and water quality improvements to the Chicago Area Waterway System (CAWS).

In 2015, the District received authority to recover resources from the treatment process and resell these assets to help offset treatment costs. Becoming a sustainable partner in the region by recovering resources, lowering carbon emissions, creating new revenue streams and promoting resiliency are all part of the goals set for the near future. The District has a great soil enhancer product, nutrients, clean water, and energy that can all be used to encourage economic job creation and add benefit to our communities. The District has real estate resources that can also be used to add value to the communities we serve.

Decisions were made to keep the Mission Statement and Values that have been adopted in the past. So, without further ado, the District is excited to introduce the 2017 update to the Strategic Business Plan.

## VALUES

### Excellence

*We believe excellence is a never-ending journey to exceed the expectations placed upon us as individuals and as an organization.*

Individual excellence is exhibited by performing one’s responsibilities to the best of his or her ability. We promote employee development and encourage everyone to perform at their best. Organizational excellence is obtained by continuous improvement to existing processes. Excellence at both levels is achieved through proactive, resourceful, reliable, and prudent execution of processes and responsibilities. Striving for excellence will result in continuous improvements in the way we operate and the quality of the environment.

### Innovation

*We seek optimal solutions to provide the best services and products available.*

Innovation increases efficiency and performance by being adaptable and strategic in the face of change. Meaningful, productive change involves looking at challenges and opportunities from new perspectives and then developing and implementing new ideas to address the challenge. We are open to implementing new concepts and sharing what we have learned from our diverse experiences and, in the process, evolving. Embracing growth within the District’s mission, we continue to be a model of wastewater treatment and stewardship of the water environment.

### Respect

*We create an atmosphere of open communication that rewards commitment and performance and is responsive to the needs of our employees and our communities.*

Respect is measured by how we treat each other, by the contributions that flow from our diversity, by the productivity of our relationships, and by a job well done, no matter what the job. To meet our goals, we depend on the integrity, knowledge, skill, diversity, and teamwork of our employees. Creating a respectful, courteous, and fair workplace will lead to improved communication, heightened levels of workplace participation, and innovation due to diverse thinking.

## **Safety**

*We are dedicated to safeguarding our greatest assets – our employees – together with the environment and our communities.*

There is always time to do it safely. We strive to provide a safe environment for our employees and our communities. We continually seek new ways to improve safety performance by routinely training employees in safe operating practices and regulatory responsibilities. We incorporate safety in all planning, operations, and activities. Continuously improving our safety practices will improve the well-being of our employees and the District as a whole.

## **Accountability**

*We are dedicated to fulfilling our responsibility by being accountable to our taxpayers, coworkers, and the environment in a prudent manner.*

As public service employees, we bring a high degree of integrity, professionalism, quality, and caring to our work. We have a commitment to our communities to provide service with the highest level of integrity, transparency, and accountability. Acting with accountability will make us a stronger organization by earning the respect, trust, and confidence of our coworkers and the communities we serve.

## **MISSION**

The District will protect the health and safety of the public in its service area, protect the quality of the water supply source (Lake Michigan), improve the quality of water in watercourses in its service area, protect businesses and homes from flood damages, and manage water as a vital resource for its service area. The District's service area is 882.1 square miles of Cook County, Illinois. The District is committed to achieving the highest standards of excellence in fulfilling its mission.

## **VISION**

The vision statement "Recovering Resources, Transforming Water" captures the changing landscape taking place in the water industry. The District is looking to add value in traditional and non-traditional ways. This vision has produced six main goals for the organization. These goals are listed below with a descriptive statement that captures the thinking behind each goal.

**Add Value:** Every employee at the District will look for opportunities to add value.

**Excellence:** Nothing of consequence is accomplished without enthusiasm.

**Resource Recovery:** The District will pursue the beneficial recovery of natural resources.

**Develop Employees:** Value is measured through personal contribution and growth.

**Leading Partnerships:** We recognize the importance of active involvement in the world around us.

**Technology:** The District will embrace a new era of technology that delivers reliable and useful information.

## **GOALS AND STRATEGIES**

The strategic plan outlines six major goals aimed at achieving the vision of the District. Under each goal, strategies were developed to accomplish the goal. Each strategy will have performance measures. The measures will be used to ensure efforts are achieving the desired results. During the strategic planning review, the measures will be used to make adjustments to the plan as needed so the District can remain focused on continual improvement.

### **GOAL 1 – Add Value**

*Every employee at the District will look for opportunities to add value.* The District will be focused on adding value at every level in the organization. Each employee is challenged to add value in every interaction either internal or external to the agency. The following specific strategies have been developed to meet this goal:

**Customer Service:** Every employee's action should mindfully fulfill the customer's needs.

- Issue permits in less than 30 days;
- Transition from an enforcement perspective to informed compliance;
- Develop and implement effective flood mitigation programs for our customers;
- Structure a multi-dimensional, culture changing strategy around Green Infrastructure implementation;
- Develop and implement targeted odor control strategies.

**Real Estate:** Explore opportunities for community partnerships aimed at reducing waste, our carbon footprint, or revitalizing the environment.

- Utilize wood chips in biosolids compost blend;
- Work with communities to revitalize the urban forest using property adjacent to water reclamation plants (WRPs);
- Utilize Fulton County property for nutrient control.

**Service Levels:** The District will establish service level agreements that meet the needs and expectations of the internal customer.

- Establish contract turn-around timeframe agreements for all contract classes;
- Develop planning schedules and adhere to project timeframes;
- Streamline and simplify the budget process.

## **GOAL 2 – Excellence**

*Nothing of consequence is accomplished without enthusiasm.* Excellence should be our goal in everything we do from meeting compliance objectives to delivering projects on time. In order to achieve excellence, the organization should focus on results. It is the measure of the result that determines the degree of success.

**Finances:** Ensure the responsible use of resources in the delivery of services.

- Continue the prioritization of projects to ensure best use of current spending;
- Provide base budget targets and assure approvals above base are tied to strategic initiatives;
- Manage resources to ensure financial stability targets are met.

**Process Evaluation:** Develop processes that are results oriented.

- Optimize energy intensive processes;
- Optimize chemical intensive processes;
- Optimize work distribution processes and workflow.

**Sense of Urgency:** Establish a sense of urgency in delivering community services.

- Deliver and implement flood relief plan for Cook County;
- Establish excellence in maintenance and operations;
- Expedite capital improvement program projects in design, bid, contract award, and construction schedules.

**Performance Management:** The District will develop performance measures that reflect the excellent contributions of staff.

- Develop automatic measures that indicate performance to our public.

## **GOAL 3 – Resource Recovery**

*The District will pursue the recovery of natural resources.* The District understands the obligation of every organization to implement sustainable and resilient practices. The District also understands the importance of a sustainable economy and financial base. Therefore, the District will seek to recover resources in a way that has a return on investment and can produce private sector jobs in our region.

**Water:** Pursue reuse applications for the high quality water produced at our plants and for the capture and reuse of stormwater.

- Explore reuse opportunities in the Calumet and Stickney industrial corridors;
- Evaluate park and golf course water reuse;
- Evaluate cistern capture and reuse opportunities in Cook County.

**Phosphorus:** Recover phosphorus in a slow release fertilizer for environmentally-friendly reuse.

- Implement recovery process at the Stickney WRP by 2016;
- Implement recovery process at the Calumet WRP by 2018;
- Implement recovery process at Egan WRP by 2018.

**Energy:** Achieve energy neutrality by 2023.

- Implement food-to-energy , doubling gas production at the Calumet WRP;
- Maximize use of digester capacity at the Stickney WRP;
- Market electrical capacity at Lockport to maximize return on investment;
- Optimize aeration processes and reduce energy consumption by 25 percent.

**Biosolids:** Pursue the sale of biosolids to the marketplace for repackaging.

- Work with IEPA to adopt federal standards concerning exceptional quality biosolids;
- Successfully bid the sale of biosolids to private partners.

**Recycle and Prevention:** Promote environmental stewardship through recycling and preventative measures.

- Recycle demolition material on all District projects;
- Ensure availability of medical disposal options;
- Explore opportunities for recycle partnerships;
- Develop prevention education materials.

#### **GOAL 4 – Develop Employees**

*Value is measured through personal contribution and growth.* Employees at the District are the best in the industry. In order to maintain a leadership role in wastewater, the District needs to develop future leadership and pass down competencies. The District will invest in its future by investing in its employees.

- Develop and implement leadership initiatives that support succession planning;
- Develop and implement competency-based individual development plans;
- Develop a culture that recognizes the value of every employee.

#### **GOAL 5 – Leading Partnerships**

*We recognize the importance of active involvement in the world around us.*

**Relationships:** Develop strategic relationships with constituents through active involvement in a variety of venues and organizations on a local, state, and national level.

- Inventory and align professional memberships and participation;
- Participate in active leadership roles in a variety of organizations;
- Utilize our enhanced awareness from strategic relationships to make informed decisions.

**Leadership:** Promote the District as one of the top leaders in the water industry.

- Provide active leadership in the invasive species discussion;
- Provide active leadership in water issues in Cook County;
- Provide active leadership in state water issues;
- Provide active leadership in federal water issues.

#### **GOAL 6 – Technology**

*The District will embrace a new era of technology that delivers reliable and useful information.* We live in an age of information. Information allows for good decision making and navigation toward success. The District has always collected volumes of data. This initiative to focus on accessing that data and converting it to useful information will help the District navigate a successful future.

- Simplify SAP to increase utilization, maximize effectiveness, and bring up-to-date;
- Provide reliable system services to every user;
- Utilize current capability and develop a shared information technology vision;
- Ensure consistent data input from all users to produce useful information;
- Enhance use of current technology platforms.

### **SUMMARY**

The District's Strategic Business Plan is used throughout the year to measure results and communicate progress to the Board and staff. This plan is reviewed and updated on an annual basis. It serves as a guiding document until replaced by a new strategic plan.

## *Budget Message / Highlights*

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*The following pages summarize the major policies, ongoing programs, and initiatives that directly support implementation of the Strategic Business Plan and the development of the District's 2017 annual budget.*

### **Goal 1 – Add Value**

**To maximize our real estate portfolio:** Over the years, the District has acquired substantial real property holdings to carry out its corporate responsibilities. It currently owns approximately 24,000 acres of land located in Cook, Will, DuPage, and Fulton Counties in Illinois and controls approximately 76 miles of navigable waterways, which include the Cal-Sag Channel, Chicago Sanitary and Ship Canal (Main Channel), and the North Shore Channel. Additionally, the District has acquired rights-of-way and easements for the construction and installation of its facilities and structures upon, under, and through miles of real estate owned by other parties.

The District's land holdings are necessary to carry out its lawfully authorized corporate purpose of wastewater collection, treatment, disposal, and ancillary activities. The additional corporate responsibility of stormwater management conferred by the Illinois General Assembly in 2004 has increased the District's activities and may result in an increase of its land holdings in Cook County to facilitate the construction of projects.

The District's land holdings are generally categorized as corporate or non-corporate use properties. Its corporate use properties are those land holdings which are used or will soon be used for the District's corporate purposes. Non-corporate use properties are those land holdings which are not immediately required for corporate purposes. The non-corporate use properties may be required for future use or it is in the District's best interest strategically to maintain ownership. An example of the latter is land along the waterway corridors that may be needed for future water quality improvement or stormwater management projects.

Currently, non-corporate land holdings include approximately 4,800 acres in Cook County, 250 acres in DuPage County, and 750 acres in Will County. These non-corporate use properties are for the most part managed by the Real Estate/General Administration Division of the District's Law Department. These properties may be leased to other parties until required for corporate purposes in accordance with requirements set forth in state law (70 ILCS 2605/8-8c). State law provides, among other things, that a District lease to a private party/entity may be awarded only upon open and public competitive bidding to the highest responsible bidder. Additionally, state law provides that the District may issue permits or grant easements for others to use District land, provided such use would not interfere with the District's corporate purposes. Management of District land currently includes over 175 leases, 370 easements, and 80 permits.

The District continues to pursue a balanced and mixed-use approach with respect to administering its non-corporate use properties. This balanced program seeks to maximize rental income in those instances where District land is made available for private use, while setting aside substantial holdings for public recreational use by leasing to other governmental entities (park districts, municipalities, and forest preserve districts). The leases to other governmental entities are for a nominal fee and typically for the express purpose of enhancing public access to, and the development of parks, hiking and bicycle trails, and passive recreational use along the waterways. The District's balanced approach has resulted in approximately 75 percent of District leased lands being leased to governmental entities for public recreational or other public use. The other approximately 25 percent of District leased lands are leased to private parties for industrial and business purposes from which the District expects to derive approximately \$19.0 million in 2017 in rental and fee income.

Regardless of whether its land is leased to a public or private entity, the District has remained committed to improving the aesthetics, public access, and public recreational opportunities along its waterways. A District lease, whether issued to a private party or public entity, requires that the tenant commit to being a good steward of the land. Included among those commitments are compliance with the District's Waterway Strategy Resolution, which represents the District's formal commitment to the creation and maintenance of an attractive linear scenic corridor the entire length of the inland waterways, which will be accessible to the public, where feasible. Toward that end, the resolution imposes certain requirements for new leases located along the waterways, including, but not limited to, the 60-foot waterway edge setback or scenic corridor or construction and maintenance of a landscaped visual screen and trail within the setback. Additionally, in March 2005, the Board adopted a resolution establishing the policy that any land leased along the North Shore located north of Devon Avenue, up to and including Wilmette Harbor channel, shall be dedicated exclusively to open green space and recreational use.

**To improve the water quality of area waterways:** The District will cost-effectively collect and treat approximately 486.3 billion gallons of wastewater from businesses and homes and captured stormwater runoff from its service area. Our performance for treating this wastewater approaches 100 percent compliance with all applicable effluent standards at all WRPs.

## Budget Message / Highlights

On June 7, 2011, the Board adopted a policy to disinfect the effluent from the O'Brien and Calumet WRPs. To expedite the installation of disinfection facilities, an interdepartmental task force was convened to update the disinfection study document, Technical Memorandum TM 1-WQ (CTE/AECOM, Aug. 2005). TM 1-WQ indicated that ultraviolet disinfection was the best option for the District. The task force reviewed the findings of the study, considered recent advances with various disinfection technologies, and updated cost estimates. The task force selected chlorination/de-chlorination for the Calumet WRP and ultraviolet technology for the O'Brien WRP. The task force also developed design criteria, block diagrams, and space reservations to inform the final design of the disinfection facilities. The construction of these facilities was completed in 2015 and placed into service during 2016.

**To protect the health and safety of our residents:** The District complies with environmental regulations governing discharges to air, land, and water and assists first responders in handling threatening incidents and hazardous waste spills.

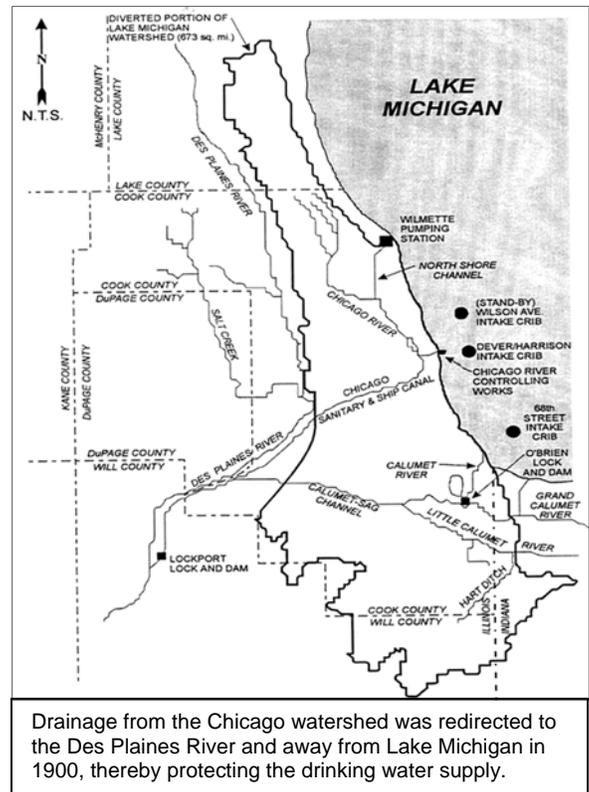
**To protect the quality of Lake Michigan water:** The District has successfully eliminated all sewage discharges to Lake Michigan and strives to minimize discharges to the lake caused by excessive rainfall runoff. To continue to protect Lake Michigan, our region's fresh drinking water supply, and protect the public health, the District will continue to monitor potential sources of discharges that may threaten Lake Michigan and will minimize combined sewer discharges to the lake through careful operation of the TARP project and the waterway system.

**To provide stormwater management for Cook County:** The mission of the Stormwater Management Fund is to protect the safety of Cook County's residents and minimize flood damage by coordinating, planning, implementing, financing, and operating regional stormwater management projects and to develop and enforce reasonable rules with respect to watershed development. The framework of the District's countywide stormwater management program is presented in the Cook County Stormwater Management Plan.

In 2011, the District completed detailed watershed plans (DWPs) identifying flooding problems within each of the six major watersheds within its service area. As a part of the Capital Improvement Program, the District began preliminary and final engineering for projects identified within the DWPs and approved by the Board. In 2014, the Illinois General Assembly expanded the authority of the District's Stormwater Management Program to allow the District to address local drainage problems and acquire flood prone property from property owners on a voluntary basis. These legislative changes allow the District to identify and assist municipalities with the implementation of projects that address local flooding concerns.

**To protect aquatic life:** The District operates in-stream and sidestream elevated pool aeration (SEPA) stations to maintain sufficient dissolved oxygen in key sections of the Chicago Area Waterway System (CAWS) to protect aquatic life. The District conducts intensive chemical and biological monitoring of receiving streams at all WRPs and has developed, through collaborators in academia, both a one-dimensional and a three-dimensional water quality model of portions of the CAWS to assess the operation of the waterway to continually improve water quality and protect aquatic life. In 2015, the District continued to implement optimization strategies for Lake Michigan diversion to utilize this resource most efficiently, while improving water quality in the CAWS. The state rulemaking regarding Aquatic Life Uses on the CAWS continued throughout 2014, and associated water quality standards were adopted in 2015.

**To provide flood protection to residents under the Tunnel and Reservoir Plan:** TARP consists of 109.4 miles of deep rock tunnels designed to capture up to 2.3 billion gallons of the first flush of sewage contaminated stormwater from combined sewers that had previously flowed into the area waterways. The final leg of the TARP tunnels began operation in March 2006.



## *Budget Message / Highlights*

In addition, two of three planned storage reservoirs providing an additional 8.2 billion gallons of capacity. Gloria A. Majewski and Thornton Composite Reservoirs were completed in 1998 and 2015, respectively. The final reservoir, McCook Reservoir, will add another 10 billion gallons of capacity when completed. See page 422 for the TARP system project status map.

**Majewski Reservoir:** This 350 million gallon reservoir was completed in 1998 and has prevented over 5 billion gallons of combined sewer overflow from entering the waterways and mitigated over \$350 million in flood damage.

**Thornton Composite and Transitional Reservoirs:** In November 2015, construction of the Thornton Composite Reservoir was substantially completed, and it became operational. Through the first nine months of operations, more than 3.5 billion gallons have been captured during 12 fill events.

**McCook Reservoir:** The McCook Reservoir, the last component of the TARP system, will service 3.1 million people in 37 communities in southwest Cook County, providing a total volume of ten billion gallons. The first stage will be completed in 2017 and provide 3.5 billion gallons of storage. The second stage will provide 6.5 billion gallons of storage and is expected to be completed in 2029. The McCook Reservoir is projected to bring \$100 million per year in flood reduction benefits to its residents.

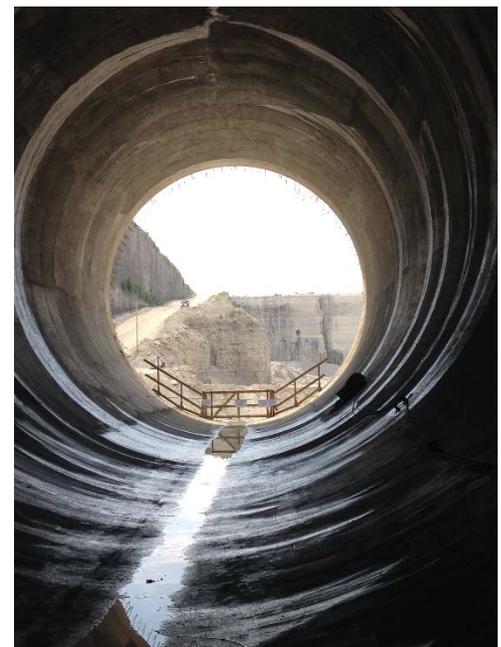
The McCook Reservoir is being constructed on District property between the Des Plaines River and the Sanitary and Ship Canal. In 2016, mining of stage one was completed and stage two was 11 percent complete as of June. A new 20-foot-diameter inflow tunnel and gate shaft, scheduled to be completed in 2019, is being constructed to connect the existing Des Plaines Tunnel system directly to the McCook Reservoir. The new tunnel provides a greater benefit to the communities served by the Des Plaines Tunnel than using the current tunnels as dual purpose inflow/outflow tunnels.

**To control commercial and industrial waste discharges to the sewers and waterways:** The District effectively eliminates offensive or dangerous discharges into the public sewer system through the administration of the Sewage and Waste Control Ordinance that specifies limits on the quantity and quality of wastes discharged by industrial users as required by United States Environmental Protection Agency (USEPA) Regulations. The discharges, unless properly controlled and treated, could interfere with our treatment processes, adversely impact waterways, and could accumulate in biosolids rendering them unsuitable for reuse.

**To maintain our facilities and infrastructure to ensure that they remain an asset to the residents of the District:** The District owns and operates seven modern and effective WRPs, 560 miles of intercepting sewers and force mains, 109.4 miles of TARP tunnels, 22 pumping stations, 35 flood control reservoirs, and two TARP reservoirs. Through preventive maintenance management, modernization, rehabilitation, and planned replacement, the District will ensure the long-term reliability and cost-effectiveness of operations. To aid planning and prioritize projects for both the near term, defined as zero to five years, and the long-term, projects in a five to 20-year timeframe, the District implemented procedures for project vetting and Long-Term Capital Plan evaluation. The project evaluation process requires review and approval from all of the operational departments.

### **Goal 2 – Excellence**

**To provide sewage collection and treatment, and maintain award-winning plants:** In 2017, the District expects to collect and treat approximately 486.3 billion gallons of wastewater at our seven WRPs. These services will be performed in compliance with discharge permits issued by the USEPA, which regulates the quality of our effluent as it leaves our treatment plants. Our high level of compliance emphasizes our excellent performance. This is reflected in a 99.98 percent overall compliance with the NPDES requirements in 2015. This compliance resulted in two Gold Awards and five Platinum Awards from the National Association of Clean Water Agencies (NACWA). Operating performance in 2016 is expected to achieve higher performance levels.



The first stage of the McCook Reservoir in Bedford Park will be completed in 2017.

## *Budget Message / Highlights*

The District is currently awaiting responses from the Illinois Environmental Protection Agency (IEPA) for the following renewal applications: Egan WRP Federally Enforceable State Operating Permit (FESOP), Calumet WRP FESOP, Kirie WRP FESOP, O’Brien WRP FESOP, Stickney WRP Title V permits, Egan WRP Solids Drying, Stickney WRP Solids Drying Areas, Calumet WRP East & West Solids Drying Areas, Stickney WRP Septage Disposal, Gloria Alitto Majewski (O’Hare CUP) Reservoir, Kirie WRP NPDES, Hanover Park WRP NPDES, Lemont WRP NPDES, Egan WRP NPDES, Lemont WRP NPDES, and General Stormwater NPDES.

**Collection, Treatment, and Solids Utilization for the Maintenance & Operations Department**

	<b>Budgeted 2017</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>	<b>% Change 2016-2017</b>
Total cost of collection (millions)	\$48.5	\$47.8	\$41.7	1.5%
Total cost of treatment (millions)	\$69.1	\$71.0	\$65.9	(2.7%)
Total cost of solids utilization (millions)	\$21.3	\$22.8	\$21.0	(6.6%)
Number of full time equivalent employees:	235	239	241	(1.6%)
Collection	359	378	389	(5.0%)
Treatment	24	25	49	(4.0%)
Solids Utilization				

Design average flow/design maximum flow million gallons per day (MGD) level of treatment by plant:

Stickney WRP – Secondary	1,200/1,400	1,200/1,400	1,200/1,400
Calumet WRP – Secondary	354/430	354/430	354/430
O’Brien WRP – Secondary	333/450	333/450	333/450
Kirie WRP – Secondary	52/110	52/110	52/110
Egan WRP – Tertiary	30/50	30/50	30/50
Hanover Park WRP – Tertiary	12/22	12/22	12/22
Lemont WRP – Secondary	2.3/4	2.3/4	2.3/4

	<b>Budgeted 2017</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>	<b>% Change 2016-2017</b>
<b>Outputs:</b>				
Amount of wastewater collected and treated by plant:				
Stickney WRP (million gallons)	260,000	265,000	257,214	4.0%
Calumet WRP (million gallons)	100,000	100,000	93,141	--
O’Brien WRP (million gallons)	89,000	89,000	84,824	--
Kirie WRP (million gallons)	14,400	15,558	13,373	(7.4%)
Egan WRP (million gallons)	10,200	10,200	8,765	--
Hanover Park WRP (million gallons)	3,500	3,500	3,540	--
Fox River WRP (contract agreement)	2,000	2,000	2,168	--
Lemont WRP (million gallons)	1,000	1,000	875	--

*Budget Message / Highlights*

<b>Outputs:</b>	<b>Budgeted 2017</b>	<b>Budgeted 2016</b>	<b>Actual 2015</b>	<b>% Change 2016-2017</b>
Dry tons of biosolids utilized by area:				
North Service Area	1,000	1,000	999	--
Calumet Service Area	21,500	29,100	16,366	(26.1%)
Stickney Service Area	60,000	60,000	55,892	--
<b>Outcomes:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Achievement of water reclamation plant pollution permit requirements by plant:				
Stickney WRP	99.94%	99.4%	99.71%	100.00%
Calumet WRP	100.00%	100.00%	100.00%	100.00%
O'Brien WRP	100.00%	100.00%	100.00%	100.00%
Kirie WRP	100.00%	100.00%	100.00%	99.97%
Egan WRP	100.00%	100.00%	99.96%	99.78%
Hanover Park WRP	100.00%	100.00%	100.00%	100.00%
Lemont WRP	100.00%	100.00%	100.00%	100.00%

**To fund Other Postemployment Benefits:** The District provides and subsidizes health care benefits for its retirees. On August 23, 2007, the General Assembly of the State of Illinois approved the amendment to the Metropolitan Water Reclamation District Act (70 ILCS 2605/9.6d), which authorized and set forth the requirements for the establishment of the District's Other Postemployment Benefits (OPEB) Trust for the purpose of providing for the funding and payment of health benefits for retired, disabled, or terminated employees of the District or for their dependents and beneficiaries.

In 2007, the District adopted an initial OPEB advance funding policy meant to (i) improve the District's financial position by reducing the amount of future employer contributions and (ii) serve to establish a reserve to help ensure the financial ability to provide healthcare coverage for District retirees and annuitants in the future. The funding policy was amended by the Board on October 2, 2014. The amended funding policy changed the target funding level from 50 percent to 100 percent, advanced funding period from 50 years to 12 years, and defined the advance funding amount of \$5 million to be contributed in each of the 12 years from 2015 through 2026. No further advance funding contributions are expected after 2026. Through December 31, 2016, \$122.4 million has been contributed by the District to the OPEB Trust Fund. The advance funding contribution for 2016 was \$5.0 million and the 2017 budgeted contribution is \$5.0 million. While authorized by statute, there is currently no legal requirement for the District to partially or fully fund the OPEB Trust Fund.

The accumulated unfunded OPEB obligation is \$137.3 million as of December 31, 2015, the date of the most recent actuarial valuation. The unfunded liability represents the amount by which the Accrued Liability exceeds the value of the plan assets that have been placed in a trust and dedicated to providing benefits to retirees and their beneficiaries. The policies adopted by the District are cautious by design, and will provide ample opportunity for adjustment. Future direction may also be changed significantly by national health care policies.

### **Goal 3 – Resource Recovery**

In 2016, the District implemented two resource recovery projects. First, in partnership with Ostara Nutrient Recovery Technologies, the District opened the world's largest nutrient recovery facility at the Stickney Water Reclamation Plant. Phosphorus and nitrogen recovery will provide significant environmental benefits to the CAWS and downstream through the Mississippi River to the Gulf of Mexico. Excess phosphorus in waterways can cause algae to grow and bloom, creating toxic conditions that destroy aquatic life and severely limit recreational activities. Ostara's technology recovers phosphorus and nitrogen to create a high value fertilizer that is both economically and environmentally viable.

Secondly, due to changes in Illinois law in 2015, the District can sell Exceptional Quality (EQ) biosolids and EQ biosolids blend that is composted with wood chips to the general public. Biosolids can be used almost anywhere that soil amendments and chemical fertilizers are used. In addition to being sold, the District will also save on disposal costs.

The District has adopted the ambitious goal of becoming energy neutral. A major activity to achieve this goal is maximizing the use and production of digester gas. The District has been negotiating with a firm selected through a Request for Proposal process to guarantee a long-term supply of organic waste material to boost digester gas production by 160 percent at the Calumet WRP. The contractor will also construct an organic waste receiving station. A second agreement will be negotiated

## *Budget Message / Highlights*

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with another contractor to design and build a facility to clean the digester gas to pipeline quality standards. The cleaned digester gas, biomethane, will be transferred in a new pipeline to a connection with a natural gas transmission main. The District is also in the process of negotiating a long-term, off-take agreement with the contractor for purchase of the biomethane.

In 2015, the District began to investigate use of grey-water industrial reuse of treated water for industrial and commercial users on Chicago's south side. By using reclaimed water instead of potable water, there is an environmental benefit as less water is removed from Lake Michigan, and less energy and chemicals are used to clean that equivalent volume of water to drinking water quality.

### **Goal 4 – Develop Employees**

**To improve recruiting, hiring, and development of a dedicated work force, including minorities and women:** The District's female and minority work force rates are 27 and 40 percent, respectively, as of September 30, 2015. The rates are calculated based on published data from the 2010 census.

**To control staff growth and costs through effective management of District operations:** Productivity gains are achieved through investment in cost-effective technology and sound management principles. The District will continue to control full-time personnel consistent with the demands of safety, productivity, and new responsibilities and utilize advances in technology following careful analyses of their efficiency and reliability.

**To maximize efficiency:** Beginning in 2011, the District implemented a reorganization plan which focused on eliminating layers within the organization and consolidating the number of job classifications. As part of this reorganization plan, operating departments were asked to review their individual structure. The goal was to gain flexibility in the utilization of staff and to increase the efficiency of operations throughout the District.

The District continues its policy of staff reductions only through attrition. For two decades, the staff size and composition has been managed through the use of our "crosshatch program." A "#1" following a position title in the budget indicates that the position will be dropped immediately upon becoming vacant. A "#2" after a position title signifies that when the position is vacated, the person filling the vacancy will receive the title in the parentheses. It can also indicate that while a grade level for a class title has been lowered, the incumbent in the position will be retained at the current grade level. This is indicated by a notation of the new grade level in parentheses following the title. A "#4" after a title signifies that while a class title has been assigned to the Technical, Administrative and Managerial (TAM) salary schedule, the incumbent in the position will be compensated under the previously assigned Professional and Managerial or General Service salary schedule. When the position is vacated, the person filling the vacancy by promotion or new appointment will be compensated under the TAM salary schedule.

A total of 1,955 positions are budgeted for 2017, a decrease of 21 budgeted positions from 2016. The District continues to budget to slow the growth of future salary appropriations to fit within restrictions on property taxes resulting from the Property Tax Extension Limitation Act.

Salary related expenditures, not including benefits, are the largest item in our operating budget, comprising approximately 50 percent of the Corporate Fund appropriation. It is impossible to match future appropriation requirements with restricted growth in property tax revenue without making plans to change the way we work. Efforts have been made since 1995 to reengineer many labor intensive functions and reallocate staff, impacting all areas of District operations, including professional/managerial, clerical, operating, and building trade personnel.

### **Goal 5 – Leading Partnerships**

On January 9, 2014, the Board authorized the District to enter into an Intergovernmental Agreement with the Chicago Public Schools (CPS) to provide funding towards the construction of green infrastructure at four Chicago Public School campuses in 2014. The District and the City of Chicago Department of Water Management (DWM) are sharing the costs of the green infrastructure equally to \$500,000 per school, while CPS is responsible for all fees associated with recreational amenities. The projects at the four schools were completed in 2014. Due to the success of the program, the District agreed to reconstruct 30 more school playgrounds over the next six years. Two were completed in 2015, and three more will be completed in 2016. The projects are great vehicles to promote water conservation and green infrastructure, while helping to reduce localized flooding.

In 2015, the District joined other wastewater agencies and water organizations in forming the Value of Water Coalition. This partnership seeks to educate the public and legislatures on the value of water in our lives and to increase funding for water and infrastructure projects.

## *Budget Message / Highlights*

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Currently, the District is leading a work group to address the water quality standards for chlorides within the Chicago Area Waterways System (CAWS). An important purpose of the group is to develop and implement Best Management Practices to address chloride issues within the CAWS due to the usage of road salt, particularly in the winter. The chlorides work group consists of municipalities, private industry, and nongovernmental organizations. The group includes four committees: social and economic impact, legal, water quality, and data acquisition, which all seek to provide insight on the most effective method to reduce chlorides within the CAWS.

The Local Governmental Law Consortium (LGLC) that the Law Department established in 2015 provides a professional network with other local government in-house counsel in Cook County. Regular semi-annual meetings have been conducted and the LGLC is currently comprised of 16 public bodies, including eight Cook County municipalities, the City of Chicago Corporation Counsel, City of Chicago Department of Water Management, City Colleges, Chicago Housing Authority, Forest Preserve District of Cook County, Metropolitan Pier and Exposition Authority, and the Public Building Commission of Chicago. The District continues its leadership role in the organization through active participation in planning meetings, giving presentations on various legal topics, and ongoing recruitment of new members.

### **Goal 6 – Technology**

**To implement technology that positively impacts the environment:** In concert with the District's goal to be environmentally responsible, the Board passed a resolution in 2011 to implement disinfection at the Calumet and O'Brien WRPs. In August 2013, a \$30.0 million contract was awarded for the construction of a chlorination/de-chlorination system at the Calumet WRP, and a \$60.0 million contract was awarded for an ultraviolet light disinfection system at the O'Brien WRP. Construction was completed during 2015 and placed in service during 2016. The new facility is capable to disinfect flow during dry and wet weather conditions, meeting all NPDES limits.

Construction for a new wet weather treatment facility to treat combined sewer overflows at the Lemont WRP was completed at the end of 2015. The wet weather treatment facility provides primary treatment and disinfection to influent flow received from the combined sewer service area, which is in excess of dry-weather flow volume and after the first flush is received. In addition, a wet-weather storage facility was constructed to improve the plant's capability to manage peak storm flows. In the first eight months of operation in 2016, the wet weather treatment and storage facilities have treated approximately 50 million gallons of raw sewage that previously would have been discharged into the river system during storms.

In 2015, a contract was awarded for the partial nitrification-deammonification of centrate at the Egan WRP using the ANITA™ Mox moving bed biofilm process. The Egan WRP currently dewateres the biosolids from both the Egan and Kirie WRPs which produces a centrate stream with high ammonia concentrations. The centrate is then pumped to a gravity sewer, comingled with combined sewage, and then treated at the O'Brien WRP in Skokie, 20 miles away. The transport of the centrate stream creates problems of heavy corrosion in the District's collection system and is a significant ammonia load to the O'Brien WRP. The ANITA™ Mox system was placed in service in August 2016 and will be fully operational in mid-2017.

The District is evaluating opportunities to enter into an agreement with one or more firms to supply liquid organic waste material to the Calumet WRP, where it will be placed in existing anaerobic digesters to produce biogas. The organic waste material will increase biogas production in the Calumet WRP's anaerobic digesters by approximately 50 percent. This biogas will be cleaned and transmitted to an off-taker who will purchase the biogas from the District, as well as compensate the District for the environmental attributes of the biogas as a renewable fuel under the USEPA's Renewable Fuel Standards program. This biogas will be converted into Compressed Natural Gas vehicle fuel, which is a cleaner burning vehicle fuel versus gasoline, thus reducing greenhouse gas emissions from vehicles by 26,000 metric tons per year of carbon dioxide equivalent.

The District is performing research on new technologies in an effort to use algae to recover nutrients from wastewater. One technology uses a rotating belt to increase the surface area that is exposed to sunlight, thus dramatically reducing the footprint needed to grow algae. Another technology being reviewed consists of artificial light submerged in a flow-through tank. If successful, technologies like these can change the way nutrients are managed in wastewater facilities across the county.

## *Budget Message / Highlights*

### Tax Levy, Tax Rate, and Appropriations

The overall 2017 tax levy required to finance the 2017 Budget is \$595.0 million, an increase of \$23.4 million, or 4.1 percent, from the 2016 Adjusted Budget. This overall increase is due to levy increases of \$8.3 million in the Retirement Fund, \$6.9 million in the Bond Redemption & Interest Fund, \$6.6 million in the Stormwater Management Fund, \$3.7 million in the Construction Fund, and \$0.1 million in the Reserve Claim Fund, offset by a decrease of \$2.2 million in the Corporate Fund.

The overall tax rate for 2017, based on the most recent Equalized Assessed Valuation (EAV), totals 43.03 cents, no change from the 2016 Adjusted Budget. The allowance for loss in collection of property taxes is budgeted at 3.5 percent, the same as 2016. The budgeted loss will be maintained at this level, based on trends in the required refunds of prior property tax payments.

Overall appropriations for 2017 total \$1,131.8 million, a decrease of \$112.3 million, or 9.0 percent, from the 2016 Adjusted Budget. The decrease is driven by a decrease of \$135.7 million in the Capital Improvements Bond Fund and a \$2.8 million decrease in the Construction Fund, but offset by an \$11.7 million increase in the Bond Redemption & Interest Fund, \$8.7 million increase in the Retirement Fund, \$4.5 million increase in the Stormwater Management Fund, a \$0.8 million increase in the Corporate Fund and \$0.4 million increase in the Reserve Claim Fund. Explanations of these changes are provided in the following detailed Fund summaries.

The following tables and narratives provide clearer explanations of budgetary differences between the 2017 Budget and the 2016 Adjusted Budget.

<u>Levies</u>	<u>2017</u>	<u>2016 Adjusted</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Corporate Fund	\$223,946,065	\$226,109,300	(\$2,163,235)	(1.0%)
Construction Fund	17,000,000	13,278,297	3,721,703	28.0%
Stormwater Management Fund	40,856,008	34,250,000	6,606,008	19.3%
Retirement Fund	73,438,135	65,161,200	8,276,935	12.7%
Reserve Claim Fund	5,900,000	5,800,000	100,000	1.7%
Bond Redemption & Interest Fund	233,887,123	226,984,335	6,902,788	3.0%
TOTAL	\$595,027,331	\$571,583,132	\$23,444,199	4.1%
<u>Appropriations</u>	<u>2017</u>	<u>2016 Adjusted</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Corporate Fund	\$367,062,000	\$366,260,700	\$801,300	0.2%
Construction Fund	33,852,900	36,614,400	(2,761,500)	(7.5%)
Capital Improvements Bond Fund	348,037,200	483,764,800	(135,727,600)	(28.1%)
Stormwater Management Fund	44,997,100	40,500,800	4,496,300	11.1%
Retirement Fund	79,505,000	70,772,000	8,733,000	12.3%
Reserve Claim Fund	30,617,100	30,175,900	441,200	1.5%
Bond Redemption & Interest Fund	227,761,075	216,047,130	11,713,945	5.4%
TOTAL	\$1,131,832,375	\$1,244,135,730	(\$112,303,355)	(9.0%)

Comparisons of the estimated taxes paid by the owner of a home with a market value of \$100,000 for 2017 as budgeted, and 2016 as adjusted for the 2015 EAV, are as follows:

	<u>2017 Budgeted</u>	<u>2016 Adjusted</u>	<u>Increase</u>	<u>Percent Change</u>
Estimated taxes for \$100,000	\$117.27	\$117.27	\$0.00	0.0%

## *Budget Message / Highlights*

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### **Basis of Budgeting and Accounting**

The basis of budgeting and the basis of accounting determine when revenues and expenditures are recognized for the purposes of budget control and financial reporting. As per Illinois Compiled Statutes, the District's budget is adopted and executed such that receipts are recognized on a cash basis and expenditures on an accrual basis or as soon as they are incurred. The Comprehensive Annual Financial Report is prepared using the modified accrual basis of accounting in conformity with General Accepted Accounting Principles (GAAP). The exceptions between the basis of budgeting and the basis of accounting are noted below.

In the Corporate, Construction, and Stormwater Management Fund budgets, revenues are recognized on a cash basis except for property and personal property replacement taxes, which are recognized based on working cash borrowing plus an estimate of collections of property and property replacement taxes over and above the working cash borrowing. Expenditures are recognized on a GAAP basis except for inventory expenditures, which are accounted for on the purchase method for budgetary purposes and on the consumption method for GAAP financial reporting purposes. Transfers out to other funds are budgeted as expenditures, while transfers in are considered other financing sources.

The Capital Improvements Bond Fund (CIBF) is budgeted on an "obligation" basis of accounting, which records total expenditures and grant revenues in the period in which contracts or grants are awarded.

Appropriations lapse at year-end for the Corporate, Construction, Retirement, Stormwater Management, and Debt Service Funds. Appropriations for the CIBF lapse at the end of the year to the extent of the unencumbered balances. Encumbered balances are not reported as reservations of fund balances, as the amounts are reappropriated in the following year.

The government-wide and fiduciary financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the period of related cash flows. Property taxes are recognized in the year of levy and personal property replacement taxes are recognized in the year earned. Grants and similar items are recognized as revenue in the fiscal year that all eligibility requirements have been met.

The District's governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when susceptible to accrual, i.e., when measurable and available to finance operations. Expenditures are recognized in the period in which the fund liability is incurred, except for principal and interest on long-term debt, compensated absences, claims, judgments, and arbitrage, which are recognized when due and payable.

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. Since governmental funds are accounted for on the current financial resources measurement focus, only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Property taxes, user charge revenue, interest, land rentals, and personal property replacement tax revenue are accrued to the extent that they are measurable and available to satisfy liabilities of the reporting period. In general, the revenue recognition period is limited to amounts collected within 60 days following year-end. Receivables that are unavailable are reported as deferred revenue.

Grants from federal and state agencies are recorded as revenues in fund financial statements when reimbursable expenditures are incurred, or other eligibility requirements imposed by the provider are met, and the grant resources are measurable and available.

Property taxes attach as an enforceable lien on property as of January 1 of the levy year. They are levied and recorded as a receivable as of January 1 and are due in two installments in the following year.

### **Corporate Fund**

The Corporate Fund is the District's general operating fund and includes appropriation requests for all the day-to-day operational costs anticipated for 2017. The total appropriation for the Corporate Fund in 2017 is \$367.1 million, an increase of \$0.8 million, or 0.2 percent, from the 2016 Adjusted Budget.

## *Budget Message / Highlights*

The 2017 tax levy for the Corporate Fund is \$223.9 million, a decrease of \$2.2 million or one percent compared to the 2016 Adjusted Budget. It is the District's intent over the next few years to maintain a fund balance, or net assets appropriable for the Corporate Fund, higher than the \$44 to \$55 million range. This fund balance levels the competing imperatives of minimizing the annual levy and providing for unexpected shortfalls in revenues.

Continuing through 2016, economically sensitive non-property tax revenues, such as interest income, are expected to remain stagnant based on forecasted local and national economic indicators.

Property taxes and user charge revenues are the primary funding sources for the District's Corporate Fund. Illinois law limits the tax rate of this fund to 41 cents per \$100 of EAV. The estimated tax rate for the Corporate Fund in 2016 is 16.20 cents, a decrease of 0.65 cents from 2016 Adjusted Tax Rate. User charges are collected from industrial, commercial, and non-profit organizations to recover operations, maintenance, and replacement costs proportional to their sewage discharges, in excess of property taxes collected. The major categories of payers include chemical manufacturers, food processors, and government services, are generally expected to maintain their recent level of discharges.

### **Stormwater Management Fund**

The Stormwater Management Fund was established on January 1, 2005. This fund accounts for tax levies and other revenue to be used for stormwater management activities throughout all of Cook County, including areas that currently lie outside the District's boundaries. The fund consolidates the stormwater management activities of the Engineering and Maintenance & Operations Departments and supports the activities outlined in the Cook County Stormwater Management Plan, which serves as a framework for the District's countywide Stormwater Management Program.

One of the initial goals of the Stormwater Management Program was to develop detailed watershed plans (DWPs) for each of the watersheds in Cook County. The DWPs identified and prioritized "regional" stormwater projects based on a benefit to cost ratio. These may include streambank stabilization, which involves addressing critical active streambank erosion threatening public safety, structures, and/or infrastructure, or flood control, which addresses regional overbank flooding. The Board of Commissioners ultimately selects projects to move forward to design and construction as funds are available.



Flood Control and Streambank Stabilization Project on Tinley Creek in Crestwood.

In 2014, the State Legislature expanded the authorities of the District's stormwater management legislation to allow for the District to address local drainage problems and acquire flood prone property from property owners on a voluntary basis. These legislative changes form the basis of Phase II, the intent of which is to identify and assist municipalities with the implementation of projects that address local flooding concerns, develop Stormwater Master Plans, and implement a Flood-prone Property Buyout Program.

The initial Stormwater Master Plans were completed in 2016 and consist of five pilot studies to comprehensively address flooding by identifying potential projects within publicly and privately owned property. The pilot areas were recommended to the District by the four Councils of Government and the City of Chicago. It is anticipated that Stormwater Master Plans will be developed for all areas of Cook County over the next several years following the process defined through these pilot studies.

The Board of Commissioners granted authority in 2011 for the establishment of a Green Infrastructure Program (GIP), which facilitates the planning, design, and construction of multiple green infrastructure projects throughout Cook County. In 2014, the District partnered with the Chicago Department of Water Management and the Chicago Public Schools to provide stormwater retention at four elementary schools while reconstructing substandard playgrounds. Due to the success of the program, the District agreed to reconstruct 30 more school playgrounds over the next six years. Two were completed in 2015, and three more will be completed in 2016. In 2016, the District also partnered in green infrastructure projects in the Villages of Kennilworth and Niles.

## *Budget Message / Highlights*

The District’s Board of Commissioners adopted the Watershed Management Ordinance (WMO) on October 3, 2013, and it became effective on May 1, 2014. The WMO establishes uniform and minimum stormwater regulations throughout Cook County. The District is currently developing a Technical Guidance manual, which will serve as a companion reference to the WMO. The District plans to conduct training for municipal representatives and design engineers for them to gain a better understanding of the WMO’s requirements.

Property taxes are the primary funding source for the District’s Stormwater Management Fund. Illinois law limits the tax rate of this fund to five cents per \$100 of EAV. The estimated tax rate for the Stormwater Management Fund in 2017 is 2.96 cents, an increase of 0.41 cents from 2016 Adjusted Tax Rate.

**Capital Improvement Program:**

**Construction Fund and Capital Improvements Bond Fund**

The District’s overall Capital Improvement Program (CIP) includes 2017 project awards, land acquisition, support, future projects, and projects under construction, with a total cost of approximately \$1.1 billion. Capital projects involve the acquisition, improvement, replacement, remodeling, completing, altering, constructing, and enlarging of District facilities. Included are all fixtures which are permanently attached to and made a part of such structures and non-structural improvements, and which cannot be removed without, in some way, impairing the facility or structure.

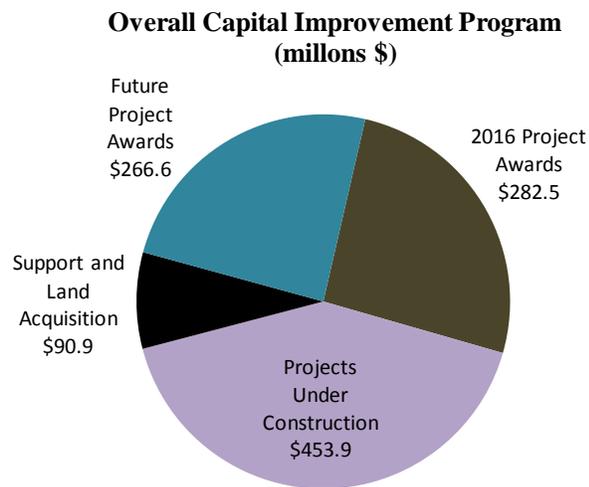
Projects under construction have been presented and authorized in previous budgets and are recognized in the annual budget as both outstanding liabilities in the Capital Improvements Bond Fund (CIBF) and as re-appropriations in the Construction Fund. Future projects, not yet appropriated, are included in the annual budget to present a comprehensive picture of the District’s CIP. These future projects will be requested for appropriation subject to their priority, design, and available funding.

The District utilizes two funds for its CIP: the Construction Fund and the CIBF. The Construction Fund is utilized as a “pay as you go” capital rehabilitation and modernization program. Capital projects are financed by a tax levy sufficient to pay for project costs as they are constructed. As the District replaces, rehabilitates, and modernizes aged and less effective infrastructure, capital projects are assigned to the Corporate Fund, Construction Fund, or CIBF based on the nature of the project, dollar magnitude, and useful life of the improvement. The Construction Fund is used for operations-related projects, where the useful life of the improvement is less than 20 years.

The CIBF, the District’s other capital fund, includes major capital infrastructure projects whose useful lives extend beyond 20 years, and which will be financed by long-term debt, federal and state grants, and State Revolving Fund loans.

The 1995 Tax Extension Limitation Law (Tax Cap), and subsequent amendments to the bill, dramatically impacted the methods of financing the CIBF. The original legislation required, in general, that all new debt be approved by referendum. However, an exemption for projects initiated before October 1, 1991 was granted to the District to enable completion of the TARP. The bill was later amended to establish a debt service extension base (DSEB), which allowed local governments, with non-referendum authority, to continue to issue non-referendum debt in terms of “limited bonds,” as long as their annual debt service levies did not exceed 1994 levels. This law was further amended in 1997 to exclude TARP project debt from this debt service extension base. The passage of legislation in 1997 allowing for expanded authority to issue “limited bonds” by excluding pre-existing TARP projects provides additional financing flexibility to proceed with our CIP.

In 2009, a further modification to the law allows the DSEB to increase annually by the Consumer Price Index (CPI) or five percent, whichever is less. These changes allow the District to effectively utilize “limited bonds” as a source of financing.



## *Budget Message / Highlights*

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### **Construction Fund**

The Construction Fund appropriation for 2017 totals \$33.9 million, a decrease of \$2.8 million, or 7.5 percent, from the 2016 Adjusted Budget.

Capital projects in the Construction Fund are primarily supported by property taxes and thus subject to the Tax Cap. The 2017 tax levy planned for the Construction Fund is \$17.0 million, an increase of \$3.7 million, or 28.0 percent, from the 2016 Adjusted Levy.

### **Capital Improvements Bond Fund**

The 2016 appropriation for the Capital Improvements Bond Fund is \$348.0 million, a decrease of \$135.7 million, or 28.1 percent, from the 2016 Adjusted Budget. The appropriation is based on the scheduled award of \$282.5 million in projects. The decrease in appropriation for the CIBF reflects the pattern in the award of major projects. An appropriation for the open value of existing contracts is also carried forward from the prior year.

The remaining \$90.9 million appropriation for this fund will provide for studies and professional services to support District design and administration of proposed and ongoing construction activity, including the TARP reservoirs. A comprehensive narrative and exhibits detailing our entire CIP is provided in the Capital Budget (Section V) of this budget document.

A listing and description of proposed projects and projects under construction, scheduled for 2017, can be found in the Capital Budget (Section V) of this budget document.

### **Retirement Fund**

The Retirement Fund of the District is established under Illinois Compiled Statutes to provide funding and administration for a retirement program for District employees. The Fund is financed with employee and employer contributions and investment income, which are distributed to the fund when collected. The annual appropriation requests for this fund are taxes receivable from previous years' tax levies. The passage of legislation in 2008 allows the Board to transfer interest earned on any monies to the District's funds or funds that are most in need.

To address growing unfunded pension liabilities, Public Act 96-0889, signed by the Governor on April 14, 2010, modifies benefits for most Illinois public pension systems, other than Police and Fire Pension Funds, by creating two tiers within the plans. The provisions apply to a person who first becomes an employee and participant of the fund on or after January 1, 2011. The bill increases the age to receive full retirement benefits to age 67 with at least 10 years of service, and age 62 to receive a reduced benefit. It also increases the number of months used to calculate the final average salary to 96 months within the last 10 years and caps the final average salary used to calculate an annuity, which was \$106,800 when Public Act 96-0889 became effective. This amount is increased annually by three percent or one-half of the increase in the Consumer Price Index-U (CPI-U), whichever is lower.

The District has addressed pension liabilities through both funding policies approved by the Board of Commissioners and supporting legislative changes for the Metropolitan Water Reclamation District Retirement Fund. On August 3, 2012, Public Act 97-0894 was signed into law and increased the employee contributions by one percent per year for three years for employees who were members before January 1, 2011. The increased contribution will remain in place until the fund reaches a 90 percent funding ratio.

The 2017 appropriation for the Retirement Fund is \$79.5 million, an increase of \$8.7 million, or 12.3 percent, compared to the 2016 Adjusted Budget. The 2017 total tax support for the Retirement Fund is \$89,604,000, which is comprised of \$18.7 million from the District's Personal Property Replacement Tax allocation and a \$73.4 million property tax levy. The property tax levy is of \$73.4 million is an increase of \$8.3 million, or 12.7 percent, from the 2016 Adjusted Levy. The appropriation is based on a statutorily required formula that bases the District levy, and subsequent appropriations, on employee contributions made in previous years. The 2012 law increased the tax levy calculation from a multiplier of 2.19 of employee to a multiplier of 4.19. Also by statute, the District may transfer interest income to the Retirement Fund. A detailed explanation of the fund's fiscal status, participation, and income is presented in the Other Funds pages (Section VII) of this budget document.

### **Reserve Claim Fund**

The Reserve Claim Fund acts as the District's insurance fund. The District is partially self-insured and utilizes this fund for emergency repairs and claims against the District. District policy is to annually levy a half-cent annual tax rate to provide funds for current claims and to accumulate a fund reserve towards the statutorily authorized limit of \$65.2 million.

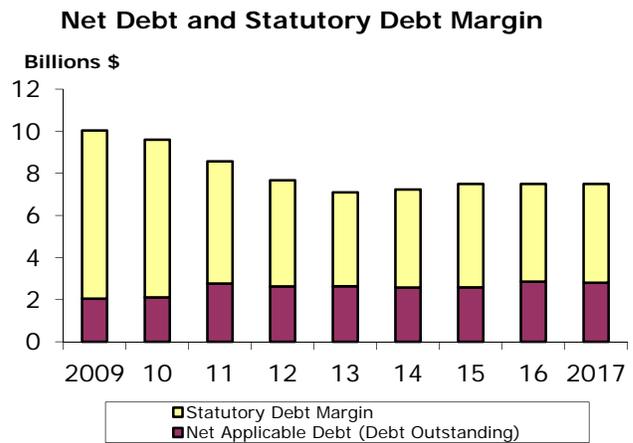
## *Budget Message / Highlights*

The 2016 appropriation of \$30.6 million is an increase of \$0.4 million, or 1.5 percent, from the 2016 Adjusted Budget. The practice is to fund toward the maximum fund balance allowable. The \$0.4 million estimate for accounts payable and other liabilities is based on an internal review and analysis. This estimate is reviewed and adjusted annually. A historical profile of the resources available in the fund is provided in Section VII of this budget document. The levy increased \$0.1 million for this fund in 2017. The District is levying against the last known EAV at the maximum rate allowed by state statute in 2017. The Board reaffirmed the policy to permit a levy at the statutorily allowable tax rate to protect the District in the event of catastrophic failure of District operational infrastructure or other claims. For the 2017 Budget, the last known EAV (\$130.3 billion) is for the 2015 levy year.

### **Bond Redemption & Interest Fund**

The Bond Redemption & Interest Fund is the District’s debt service fund. The District finances its major CIP with the sale of long-term general obligation bonds, grants received from the state and federal government, and loans from the Illinois State Water Pollution Control Revolving Loan Fund, or State Revolving Fund (SRF). Principal and interest payments on District general obligation bonds, and SRF loans, require an annual levy and appropriation.

The SRF Loan Fund provides low-interest loans to finance qualifying projects. Upon project completion, District bonds are issued at the same low-interest rate. The current interest rate for new loans to the District is 1.75 percent. The District has authorized approximately \$2.2 billion of SRF loans since the program's inception. Several projects are currently financed through SRF loans. The State of Illinois expanded the SRF program to provide additional loan funding in 2016 through 2018.



The District expects to receive approximately \$200 million in SRF loans for the years 2017 – 2020. The SRF Loan Fund replaced the Federal Construction Grants program from which the District had historically received 55 to 75 percent direct funding for qualifying capital improvements.

The District’s debt is authorized under Illinois Compiled Statutes, which specifies a debt limit equal to 5.75 percent of the District’s EAV. The District’s 2015 EAV is \$130.3 billion, setting the District’s statutory debt limit at \$7.5 billion. Outstanding debt applicable to the debt limit as of December 31, 2016, totals \$2.8 billion. The debt margin is \$4.7 billion.

The 2017 appropriation for the Bond Redemption & Interest Fund totals \$227.8 million, an increase of \$11.7 million, or 5.4 percent, compared to the 2016 Adjusted Budget. A debt service graph is found on page 50 that displays debt service from 2009 through 2021 and one on page 526 that displays debt service from 2017 through retirement.

The 2017 tax levy for this fund is \$233.9 million, an increase of \$6.9 million, or 3.0 percent, from the 2016 Adjusted Levy.

### **Real Estate Tax Levies**

The District’s primary source of operating revenue is ad valorem real estate taxes. The passage of the Tax Cap in 1995 limited future increases in property tax levies, except debt service, to the lesser of five percent or the change in the national CPI, plus allowable increases for new property. The District made significant reductions in operating expenditures in 1995 and 1996 to absorb the initial impact of revenue reductions due to the Tax Cap. Since then, restructuring of the Construction Fund projects, a healthy fund balance, interest transfers, and reduced property tax funding requirements for the Working Cash Funds allowed controlled growth in the Corporate Fund within the limits of the Tax Cap.

Since 2006, the CPI has averaged 1.9 percent, and the growth in Corporate Fund expenditures has increased about 0.9 percent annually. The Corporate Fund Expenditure Rate has been impacted in the past few years by increased contributions to the OPEB Fund and to the Retirement Fund. The District remains aggressive in controlling Corporate Fund expenditures.

## *Budget Message / Highlights*

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Cook County reassesses property values on a triennial cycle, rotating from North Suburban to South Suburban to City of Chicago. Historically, when the city is reassessed, there are a larger number of assessment appeals that must be resolved before the final EAV can be set, tax rates calculated, and property tax bills prepared. To provide for refunds, the rate for loss in collections is 3.5 percent.

### **Non-Property Tax Revenues – Fund Balances**

The economic decline in this region has been reflected in decreased non-property tax revenues that help support District operations and fund balance levels. While the District is primarily supported by property taxes, prior years' strong levels of investment interest income, personal property replacement tax, and user charge revenues significantly cushioned the impacts of the Tax Cap Law restrictions on tax levy increases.

Decreases in certain non-property tax revenues are anticipated in the conservative revenue estimates used for the 2017 Budget. Before 2004, all net assets appropriable had been reappropriated as revenue for the subsequent year. Beginning in 2004, a portion of the projected net assets remained unappropriated to provide for a fiscally responsible fund balance. A Corporate Fund balance within \$44.0 to \$54.0 million, or 12 to 15 percent of appropriations, is consistent with recommendations of the Government Finance Officers Association (GFOA). The District's current fund balance exceeds this goal and is viewed by District management and the financial markets as necessary to maintain financial stability and sustain us through economic uncertainties. This is an integral part of a long-term plan that also includes reductions of future expenditures to better match current revenues. Revenues and expenditures are closely monitored, so that favorable variances in revenues are recognized and made available for expenditure or unfavorable revenue variances lead to appropriate restrictions.

Investment interest income in 2017 is projected to be \$5.0 million, no change from the 2016 Adjusted Budget. The actual revenue for 2015 was \$5.1 million. The Treasurer is statutorily limited to investments in U.S. Government direct and agency securities, and high quality, short-term municipal bonds, bank securities of deposit, certain short-term obligations of corporations (commercial paper) rated in the highest classifications, the State Treasurer's Illinois funds, and certain other investments with a maximum maturity of five years. The variation in investment income is largely due to the decrease in short-term interest rates and cyclical increases and decreases in fund balances. The current level of short-term interest rates is anticipated to continue through 2017. Interest income earned in any fund except the Reserve Claim Fund and the Retirement Fund may be transferred to other funds as necessary.

Personal Property Replacement Tax (PPRT) revenue is estimated for 2017 is \$35.4 million, a decrease of \$6.5 million from the 2016 Adjusted Budget. The decrease is due to expectations for revenues to remain flat, a correction of the State of Illinois' calculation error found in 2016 and the increase of business income tax refund fund percentage from 15.14 percent in fiscal year 2016 to 17 percent in fiscal year 2017. The estimate includes a reduction for the recoupment of the PPRT overpayments to local taxing districts. As the PPRT is primarily a tax on corporate income, it trends in parallel with the condition of the state and national economy. PPRT revenue is distributed first to fully fund the Retirement Fund and subsequent receipts are distributed to other non-debt funds.

User Charge revenues have fluctuated in the \$47.0 to \$78.0 million range over the last 10 years. Food processing, chemical, and government segments of the local economy comprise the majority of large payers. Several large payers have closed over the past several years. Increased production and payments at many of the remaining industries have made up for the closures. The 2017 revenues are conservatively estimated to be \$47.0 million and are projected at \$47.5 million in 2016.

### **Non-Referendum Bonding Authority**

The District has authority to issue bonds without seeking voter approval via referendum through the year 2024, effective January 1, 2011. The initial Tax Cap legislation (PA89-1) limited this non-referendum authority to projects that were initiated prior to October 1, 1991. Public Act 89-385 provided the District with the authority to issue non-referendum "limited bonds" for capital projects initiated after October 1, 1991. However, it was limited to the District's 1994 debt service level of \$141,463,920 and amended by Public Act 96-0501 to allow for an annual increase equal to the CPI or five percent, whichever is less. It is currently at \$159,305,390. Public Act 90-0485 has provided a further modification by authorizing the exclusion of debt for TARP projects from this debt service limit. With inclusion of the levies for the 2004, 2007, 2009, 2012, and 2014 SRF series of bonds for non-TARP projects, Capital Improvement Bond Series of July 2006, Series of August 2009, Series A & B of July 2011, 2014 Series C, the 2016 D Bonds and the 2016F Bonds, Refunding Bonds Series C of March 2007, the 2014 Series D, and the 2016B Bonds. There is approximately \$18.7 million annual debt service available under the 1994 debt service limit related to the tax levy year 2016.

## *Budget Message / Highlights*

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Additional bond issues through 2024 will be used to finance capital projects identified by prioritization. Initial estimates and schedules for the projects were analyzed and compared to bond issuance authority and funding availability. The bond issuance authority will generally accommodate the proposed project expenditures through 2024. Extension or increase in the authority may be necessary for additional projects that may be required to meet more stringent NPDES permit discharge limits, including effluent disinfection, nutrient removal, and supplemental aeration.

### **Legislative Changes**

The District had one 2016 legislative initiative which passed the legislature and was signed into law by the Governor in 2016.

**Public 099-0736** amends the District's enabling legislation to include the Administrative Services Officer as an appointee of the Executive Director, with the advice and consent of Board of Commissioners.

## *Financial Policies, Objectives, and Accomplishments*

### **Financial Policies, Objectives, and Accomplishments**

In order to meet its federal, state, and local responsibilities, while ensuring cost-effective operations, the District adheres to a number of financial policies. These policies are part of a dynamic process whereby the best use is made of available District resources. The following provides an overview of these policies, their objectives, and the measurable accomplishments resulting from their use.

#### **Budgetary Policies**

In order to protect the strong financial position of the District, ensure uninterrupted services, and stabilize annual tax levies, the Board adopted the following policies on December 21, 2006 to enhance and maintain budgetary fund balances. The General Corporate Fund policy was amended on December 10, 2009. The Bond Redemption & Interest Funds Investment Income policy was amended on November 3, 2011. The Stormwater Management Fund policy was adopted on December 10, 2009 and amended on November 3, 2011 and December 17, 2015.

#### **General Corporate Fund**

- Corporate Fund undesignated fund balance as of January 1 of each budget year must be maintained at between 12 percent and 15 percent of appropriations. The fund balance may be maintained by not fully appropriating prior year fund balances. This level of fund balance will ensure the District's ability to maintain all operations even in the event of unanticipated revenue shortfalls and provide time to adjust budget and operations;
- Corporate Working Cash Fund must be sufficient to finance 95 percent of the full annual expenditure of the Corporate Fund. This will be financed through transfers of surpluses from the Construction Working Cash Fund, direct tax levies, tax levy financed debt (Working Cash Bonds), and transfers of accumulated interest from other funds. This level of fund balance will continue financing of the Corporate Fund in the event of the typical and extraordinary delays in second installment real estate tax collections; and
- Reserve Claim Fund balance will be targeted toward the maximum level permitted by statute, 0.05 percent of the equalized assessed valuation (EAV), whenever economically feasible. This will be financed through tax levies at the maximum 0.5 cents per \$100 of EAV when economically feasible and financially prudent. This level of funding will protect the District in the event that environmental remediation costs cannot be recovered from former industrial tenants of District properties, catastrophic failure of District operational infrastructure, or other claims. As the District is partially self-insured, adequate reserves are critical.

The District will appropriate funds from the unassigned fund balance for emergencies and other requirements that the District believes to be in its best interest. In the event that any of these specific component objectives cannot be met, the Executive Director will report this fact and the underlying causes to the Board with a plan to bring the fund balances back into compliance with policy within a two-year period. In order to maintain relevance, this policy will be reviewed every three years following adoption or sooner at the discretion of the Executive Director.

#### **Stormwater Management Fund**

The maximum property tax levy of five cents per \$100 of EAV for the Stormwater Management Fund shall be allocated at a maximum two cents per \$100 of EAV to fund operations and maintenance expenditures and the remainder of the levy shall fund direct cash outflows for capital and capital related expenditures and the interest and redemption of general obligation bond issues for capital projects.

#### **Capital Improvements Bond Fund Investment Income**

Investment earnings from the Capital Improvements Bond Fund (CIBF) resulting from all future bond issues will fund an equity transfer to the Bond Redemption & Interest Funds and be used to abate property tax levies or for other corporate needs. This practice will also limit the payment of arbitrage rebates.

#### **Bond Redemption & Interest Funds Investment Income**

Fund balances in the Bond Redemption & Interest Funds that might accumulate due to investment income will be identified and used to abate Bond Redemption & Interest property tax levies or for other corporate purposes. These abatements appropriately reduce property tax levies by the amount earned on invested balances above what is necessary for paying principal and interest due over the following 12 months, while still maintaining appropriate fund balances and when not required for other corporate purposes. This policy and the subsequent tax abatements will assist in compliance with the Board's overall tax levy policy, which is not to exceed a five percent increase over the prior year, excluding the Stormwater Management Fund tax levy.

## *Financial Policies, Objectives, and Accomplishments*

### Abatement of Interest Rate Subsidies from Build America Bond Issuances

Interest reimbursement payments related to taxes levied for Build America Bond issuances will be presented to the Board for approval to abate, to be used for any lawful corporate purpose, or a combination thereof as determined as part of the annual budget process. Such abatement or alternative lawful use of the funds will be presented to the Board for approval prior to any abatement or use of reimbursement funds.

### Capital Improvements Bond Fund Accumulated Income

Revenues that have accumulated in the CIBF from investment income, royalties, grants, or SRF revenues will primarily be used for capital projects. Capital projects are generally in the CIBF; however, capital projects in the Construction or Corporate Funds of critical importance may be financed by transfers from this revenue source. These funds may be transferred to the Bond Redemption & Interest Funds to be used to abate property taxes or may be used for other corporate needs as necessary.

The District's Annual Budget shall present a complete financial plan for the budget year.

The Budget will be prepared and presented as one comprehensive management and balanced financial plan, including capital and operating requirements, financing requirements, requirements for employee retirement, and reserve claim funding.

In addition, the District prepares and manages its budgets based on the following long-standing policies:

Budget estimates shall be prepared, and appropriations made, in a manner that reflects the use of program and performance principles and unit cost data. Appropriations shall be arranged according to funds, programs, and organizational units.

Historical levels of funding and expenditure shall be included in the Budget to provide comparisons. Financial forecasting of future requirements shall be included to provide estimates of future financial and operating conditions.

The Budget shall contain separate and combined estimated balance sheets for each fund, with estimates of current assets and liabilities as available for appropriation at the beginning of the budget year.

The Budget shall include a statement showing the method of arriving at the net tax figure, and provide estimates of all taxes to be levied for such budget year, as well as all other current receipts to be derived from other revenue sources.

Statements shall be included in the Budget, which detail bonded indebtedness of the District, and show bonds authorized and unsold, District borrowing capacity, and the maturity dates of bond issues and corresponding rates of interest.

The District will comply with the 1995 Tax Cap and Board policy limiting increases in the total property tax levy to five percent, excluding the Stormwater Management Fund.

### Retirement Fund

On October 2, 2014, the Board adopted a policy establishing the objectives, goals, and funding sources for the annual contribution to the Metropolitan Water Reclamation District Retirement Fund.

Policy Objectives:

- A. Provide for a funding plan based on actuarially determined contributions;
- B. Provide funding discipline to ensure promised benefits can be paid;
- C. Seek reasonable and equitable allocation of the cost of benefits over time;
- D. Minimize volatility of the District's contributions to the extent reasonably possible and consistent with other policy goals; and
- E. Support the goals of accountability and transparency with clear benchmarks and reporting.

Funding Goal:

The funding goal of the District is to contribute annually to the Fund an amount that over time will increase the ratio of Fund assets to accrued liabilities to 100 percent by the year 2050.

Source of Funding:

The source of funding for the District's contribution is the annual real estate tax levy and personal property replacement tax receipts as allowed under 40 ILCS 5/13-503.

The District may, at its discretion, transfer excess interest income to the Fund in accordance with 70 ILCS 2605/5.9. Such transfers will be made in addition to the annual tax levy amount funded by real estate and personal property replacement tax receipts.

## *Financial Policies, Objectives, and Accomplishments*

### Implementation of Funding Policy:

In order to achieve the above goals and objectives, the District will annually contribute 1) an amount equivalent to the maximum employer contribution allowable by statute or 2) if the maximum amount exceeds the amount available for contribution from the District's tax levy in any budget year, the District may contribute an amount determined by the Fund actuary based on a triennial projection that exceeds the minimum employer contribution required by the statute and achieves a funded ratio of 100 percent by the year 2050.

### Benchmarks:

Progress toward the above funding goal will be determined in part by an actuarial projection to be performed by the Fund's actuary every three years. This triennial projection will calculate a consistent multiple through the year 2050 that 1) satisfies the statutory requirements every year and 2) achieves a funded ratio of 100 percent by 2050. The projection multiple will serve as a guide for determining employer contributions until the next projection is performed. In addition to the triennial projection, the funded ratio calculated each year by the Fund actuary will serve as a benchmark to determine progress toward the funding goal.

### Budgetary Objectives

The District shall make every effort to minimize the tax levy through the use of sound management and cost-effective operations.

The District will maintain a positive relationship between revenues and expenditures.

The financing of the Corporate, Stormwater Management, and Construction Funds Budgets will be managed through use of the Corporate, Stormwater and Construction Working Cash Funds, respectively. Interfund transfers will be used to minimize property tax levies for the Working Cash Funds.

The District's Budget shall be prepared and presented in such a manner that it serves as a clear and comprehensive policy document, financial plan, operations guide, and communications device to its staff, public officials, and citizens.

### Budgetary Accomplishments

The District's property tax levies are in compliance with the Tax Cap Law. Fiscal plans have been developed and implemented to reduce expenditures as necessary to meet property tax revenue constraints while meeting our statutory and regulatory responsibilities.

The District has effectively institutionalized a financing strategy that avoids short-term financing of District operations. The bond rating agencies have favorably recognized this practice. For 2017, the Working Cash Funds have sufficient balances to provide the desired level of financing without imposing a tax levy.

The Five-Year Financial Forecast component of the Budget and interim budgetary reporting have identified future revenue shortfalls well ahead of time to allow for legislative relief to be sought or for other management plans and programs to be developed to avoid actual revenue shortfalls or financial overcommitments.

For the 32nd consecutive year, the GFOA of the United States and Canada has presented the Distinguished Budget Presentation for the District's 2016 Annual Budget. In 2016, the District also received special recognition in the category of Performance Measures. For the years 1988 through 1998, the District's Budget was recognized as "Especially Notable" or "Outstanding." The entire 2016 Budget is available at [www.mwrdd.org](http://www.mwrdd.org).

### Investment and Cash Management Policy

The District's formal investment policy, in place since December 1999, and last revised in July 2010, states in its preamble that, "It shall be the policy of the District that all public funds available, not restricted by immediate need, be invested in investment securities so as to maximize return without sacrifice of safety or necessary liquidity." This policy complies with Public Act 90-688 requiring all public entities within the State of Illinois to have a formal investment policy passed by its governing authority and sets forth the parameters and objectives of the District's investment and cash management policy.

The primary objectives of investment activities, in priority order, are safety, liquidity, and yield.

District funds can be invested in such securities as authorized by Illinois Public Act 235, the Public Funds Investment Act. The investments which the District may purchase are limited to the following: (1) securities, which are fully guaranteed by the U.S. Government as to principal and interest; (2) certain U.S. Government Agency securities; (3) certificates of deposit or time

## *Financial Policies, Objectives, and Accomplishments*

deposits of banks and savings and loan associations which are insured by a federal corporation; (4) short-term discount obligations of the Federal National Mortgage Association; (5) certain short-term obligations of corporations (commercial paper) rated in the highest classifications by at least two of the major rating services; (6) fully collateralized repurchase agreements; (7) the State Treasurer’s Illinois and Prime Funds; (8) money market mutual funds and certain other instruments; and (9) municipal bonds of the state, or of any other state, or of any political subdivisions thereof, whether interest is taxable or tax-exempt under federal law, rated within the four highest classifications by a major rating service.

Certificates of deposit or time deposits will be collateralized with securities of the U.S. Government, in an amount equal to 105 percent (at market) of the funds on deposit, or with a Federal Home Loan Bank letter of credit equal to 102 percent (at market).

Funds received are to be deposited on the day of receipt and invested as soon as the funds become available, if not immediately required for cash flow needs.

### **Investment Objectives**

To maintain an average daily investment of at least 99 percent of funds available for investment.

To increase minority and community development banking and broker/dealer participation in District investments to 30 percent of invested funds.

### **Investment Accomplishments**

In the past ten years, the interest income earned on investments has been:

2007	\$ 46,200,000	2012	\$ 10,300,000	
2008	32,100,000	2013	11,525,000	
2009	11,000,000	2014	8,335,000	
2010	8,100,000	2015	6,426,000	
2011	9,800,000	2016	5,091,000	(Estimated)
		<b>Total</b>	<b>\$ 148,877,000</b>	

### **Bonded Debt Policy**

Bonded debt of the District is to be issued only in the amounts and for the purposes to which Illinois Statutes limit the District.

Bonded debt issued for working cash or capital improvement purposes is to be issued as general obligation debt of the District. Capital improvement bonded debt is to be issued to mature no more than 30 years from the year of issue.

Bonded debt is to be issued only when needed, and in amounts necessary for meeting such needs, unless financial market conditions and/or projections indicate that it is in the District’s best interest to deviate from this practice.

Excess fund balances in the Bond Redemption & Interest Fund may be identified and used to abate Bond Redemption & Interest Fund levies.

### **Bonded Debt Objectives**

To maintain or improve the District’s Aa2, AAA, and AA+ bond ratings from Moody’s Investor Services, Fitch Ratings, and Standard & Poor’s Corporation, respectively.

To provide timely and cost-effective bonded debt financing.

To structure future debt service so as to provide a stable trend in future debt service tax levies.

### **Bonded Debt Accomplishments**

In April 2001, Fitch Ratings upgraded the District’s outstanding General Obligation Bonds to AAA from AA+ and Standard & Poor’s Corporation (S&P) upgraded the District’s Bonds to AA+ from AA. In April 2002, Moody’s Investor’s Service (Moody’s) upgraded the District’s Bonds to Aaa from Aa1. For the July 2006 bond issue, Standard & Poor’s increased the District’s rating to AAA. In August 2013, Moody’s downgraded the District’s Bonds from Aaa to Aa1. In July 2015, Moody’s further downgraded the District’s Bond from Aa1 to Aa2. In May 2016, S&P downgraded the District’s bond rating from AAA to AA+. The primary reason for the downgrades is the pressure on the District’s tax base due to the significant debt burden and pension liabilities for major governmental agencies in Cook County, reflecting Moody’s and S&P’s opinion on the affordability of possible tax increases by other agencies and how this could impact Cook County residents. In addition, Moody’s changed its pension rating methodology in April 2013 and implemented different assumptions to estimate the unfunded pension liability than is currently required by governmental accounting standards.

## *Financial Policies, Objectives, and Accomplishments*

### Bond Rating History

For the 2016 Bond issuance, Fitch Ratings affirmed the District’s rating at AAA citing its diverse economic base, structurally balanced financial operations, managed debt load, pension funding improvement, and the District’s history of prudent financial stewardship. Standard & Poor’s Corporation downgraded the District’s rating to AA+ from AAA, citing the increasing overall debt burden and potential impact of pension liabilities, and the overlapping tax base. The District did not request a rating from Moody’s for the 2016 Bonds.

Moody’s Investor Services		Fitch Ratings		Standard & Poor’s Corporation	
1938-1944	Baa				
1944-1968	A				
1944-1968	A1				
1968-1974	Aa				
1974-1997	Aa2				
1997-1999	Aa1				
1999-2002	Aa1			1969-2001	AA
2002-2013	Aaa	1995-1999	AA	2001-2006	AA+
2013-2014	Aa1	1999-2001	AA+	2006-2016	AAA
2015-present	Aa2	2001-present	AAA	2016-present	AA+

In May 2016, Standard & Poor’s Corporation downgraded the District’s Bond from AAA to AA+ due to the potential impacts of pension liabilities and debt of overlapping governmental entities on the District’s tax base. The Illinois Legislature amended the Metropolitan Water Reclamation District Act to provide that the District must levy a direct annual tax to pay the principal and interest on indebtedness within 30 years after contracting the debt, enabling the District to now issue debt for a maximum of 30 years after contracting the debt. Previously, the District was allowed to issue debt for a maximum of 20 years. In addition, the District’s Act was amended to extend non-referendum bonding authority from December 31, 2016 to December 31, 2024, effective January 1, 2011.

**Financial and Accounting Policies**

The significant accounting policies of the District conform to GAAP in the United States of America, promulgated by the Government Accounting Standards Board (GASB) as applicable to governmental units.

The basic accounting and reporting entity of the District is a “fund”. The District’s governmental funds are reported using the current financial resources measurement focus and modified accrual basis of accounting.

The fiduciary funds of the District are the Pension Trust Fund and the OPEB Trust Fund. Trust fund assets and liabilities are accounted for on the full accrual basis, and investments are recorded at market value.

Property taxes, user charge revenue, and the personal property replacement tax are accrued to the extent that they are measurable and available to satisfy liabilities of the reporting period.

An internal audit function is maintained as an independent appraisal activity for the review of accounting, financial, internal control structure, and other operations. It aids managerial control by measuring and evaluating the effectiveness of and compliance with District policies, procedures, and other internal controls, as directed by the Executive Director.

**Financial and Accounting Objectives**

District financial information is available through the Comprehensive Annual Financial Report (CAFR), Budget Report, Grantor Agency Reports, and supplementary information.

District financial reports are prepared in compliance with GAAP to fulfill the District’s duty to be publicly accountable while allowing users to assess that accountability.

District financial reports are designed to assist users in evaluating the District’s ongoing operations and assessing the level of services provided and our ability to meet obligations as they become due.

The annual audit performed by independent certified public accountants ensures compliance with the District’s financial objectives. In addition to meeting the requirements as set forth in the State of Illinois Compiled Statutes, Chapter 70, 2605/5.12, the audit will also ensure compliance with the Federal Single Audit Act regulations in OMB Circular A-133.

The Internal Auditing Section assists the Executive Director by furnishing independent and objective analyses, appraisals, and recommendations for improvement concerning the activities reviewed.

On July 13, 2006, the Board adopted a policy to address GASB Pronouncement #45, requiring reporting of the future liability for maintaining OPEB, primarily retiree health insurance benefits. An irrevocable trust was established to fund the future

## *Financial Policies, Objectives, and Accomplishments*

liability with the following operating parameters. On October 2, 2014, the funding policy was amended by the Board with the following parameters:

- 100 percent maximum funding level;
- 12 year funding period;
- \$5 million funding in each of the twelve years 2015 through 2026, with no further advance funding contributions required after 2026. Beginning in 2027, cash to be withdrawn from the Trust to fund claims and insurance premiums will be determined by the plan’s actuary with the funding percentage to be maintained at 100 percent for all future years.

On November 19, 2009, the Board adopted the OPEB Trust Investment Policy, which was subsequently amended on December 19, 2013, and states that investments shall be made with judgment and care, with prudence, discretion, and intelligence exercised in the management of the Trust assets. The Trust’s investment asset allocation and target percentages were amended, as follows:

Asset Class	Fund Asset Mix		
	Minimum	Normal	Maximum
Domestic Equities	25.0%	30.0%	35.0%
Developed International Equities	12.0%	15.0%	18.0%
Fixed Income Securities (Bonds)	40.0%	45.0%	50.0%
Global Balance Portfolio	7.5%	10.0%	12.5%
Cash/Cash Equivalents (Money Market)	0.0%	1.0%	100.0%

The District has adopted the following fund balance policy in conformity with GASB Pronouncement #54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- *Committed Fund Balances* – The District’s Board shall establish, modify, or rescind a fund balance commitment by formal action of the Board;
- *Assigned Fund Balances* – The Executive Director may assign amounts of fund balances to a specific purpose;
- *Accounting Policies of Fund Balances* – The General Corporate Fund is a combination of the Corporate, Working Cash, and Reserve Claim Funds. In the General Corporate Fund, the District considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, followed by committed amounts, and then assigned amounts. Unassigned amounts are used only after the other categories of fund balance have been fully utilized. In governmental funds, other than the General Corporate Fund, the District considers restricted amounts to have been spent last. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District will first utilize assigned amounts, followed by committed amounts, and then restricted amounts.

Initiatives are being considered to improve the policies and procedures for the management of capital assets. The process of determining more realistic estimated useful lives and dollar thresholds for capital assets is being examined. Also, an enhanced policy is essential to ensure all bond compliance and regulatory reporting requirements are properly fulfilled.

For the year ended December 31, 2015, the Board adopted a policy to implement GASB 68. The following categories are recognized and reported in the CAFR to better illustrate the pension liability to the District:

- Net pension liability
- Annual pension expense

**Financial Accomplishments**

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the year ended December 31, 2015, and for the MWRD Retiree Health Care Trust for the year ended December 31, 2015. This is the 41st consecutive year and 9th consecutive year that the District has received these prestigious awards, respectively. The CAFRs are available on the Internet at [www.mwrdd.org](http://www.mwrdd.org). The external audit of the District’s 2015 financial statements, completed on May 9, 2016, includes an unmodified opinion. In 2016, the Internal Audit Section completed 13 audits. For 2017, approximately 10 audits are scheduled for completion.

## *Policy Development and The Budget Process*

### **Policy Development and the Budget Process**

Policy development for the District, performed on both the legislative and executive level, is ongoing and integrally related to the budget process.

#### **Planning and Policy Development Activities of the Board of Commissioners**

The District’s Board is the organization’s legislative branch wherein planning is done through a standing committee structure, whereby committee chairpersons and vice-chairpersons are elected by the Board concurrent with the biannual election of officers. With the exception of the Committee on Finance, whose chair is specifically referred to in the District’s enabling legislation, the focus of each committee is determined by the Board itself. The members of these committees are made up of fellow commissioners. The Board’s committees follow:

Affirmative Action	Budget and Employment	Engineering
Ethics	Federal Legislation	Finance
Industrial Waste and Water Pollution	Information and Technology	Judiciary
Labor and Industrial Relations	Maintenance and Operations	Monitoring and Research
Municipalities	Procurement	Public Information and Education
Pension, Human Resources, and Civil Service	Public Health and Welfare	Real Estate Development
State Legislation and Rules	Stormwater Management	

These standing committees develop plans and formulate policies that are then brought before the entire Board for formal adoption. These plans and policies provide direction to both the Board itself and the staff. On critical issues, and where broad discussion is warranted for future consensus building, the committee chairperson periodically calls “study sessions” inviting public testimony and discussion.

District Commissioners participate in regional planning and policy development as members of commissions, associations, and steering committees. By law, the Chairman of Finance serves on the Cook County Public Building Commission. The District has formally designated Commissioner representatives on the Chicago Metropolitan Agency for Planning and Fulton County Steering Committee. District participation in these regional planning committees ensures regional coordination, cooperation, and communication for policy development and planning.

The Board periodically recruits pro bono ad hoc Blue Ribbon Committees made up of government and business leaders to solicit input on issues of either regional interest or where expertise in an area outside the District’s primary functions is required.

Formal adoption of District policies is enacted at regularly scheduled Board meetings (semi-monthly) or at special Board meetings focused on a specific issue.

#### **Strategic Business Plan**

Policy decisions and budgetary priorities are guided by the District’s Strategic Business Plan, which is updated annually after a public meeting that kicks off the budget season. 2017 is the third year of the current five-year plan, with the vision statement “Recovering Resources, Transforming Water.” The strategic plan sets out values, mission, a vision statement, and goals and strategies that guide decision making. The District Strategic Business Plan is used throughout the year to measure results and communicate progress to the Board of Commissioners and staff. It serves as a guiding document until replaced by a new strategic plan.

#### **Planning Activities by Staff**

The Executive Director serves as the District’s Chief Executive Officer and is responsible for the day-to-day administration of the organization. It is through the direction and authority of this office that compliance with the laws governing the agency and the policies established by the Board is assured. Under the direction of these laws and policies, staff planning takes place on various organizational platforms. Through organizational planning units, steering committees, task forces, and general managerial planning, District staff establishes organizational goals, objectives, and priorities. Planning takes place on both an interdepartmental and intradepartmental basis. Each committee or task force has representation that crosses departmental lines to ensure corporate agreement.

## *Policy Development and The Budget Process*

### **Committees and Task Forces Planning**

Other formal planning is accomplished through the utilization of committees and task forces. Committees and task forces meet monthly with the exception of the Board of Standardization, which meets quarterly or as needed. A list of the various staff committees and task forces is as follows:

Inventory Review Board	Biosolids Task Force	Non-Core Business Project Committee
Board of Standardization	Injury Task Force	Records Management Committee
Natural Gas Committee	Audit Committee	Operations Committee

Each of these planning groups is delegated the responsibility to serve as District-wide planners for specific organizational needs. The Operations Committee includes subcommittees with designated assignments and purpose. These subcommittees work independently and then report their recommendations to the committee of the whole.

### **The Budget Process and Budget Procedures**

The Management and Budget Section of General Administration, staff to the Executive Director, prepares the Annual Budget and five-year financial plan, including coordinating and consolidating the capital and maintenance plans for the upcoming and future years. Revenue projections and debt service requirements are examined along with the financial feasibility of capital projects in light of external and self-imposed financial constraints. The end product of this process is the annual appropriation ordinance and a Five-Year Financial Forecast.

The Five-Year Financial Forecast is prepared prior to the Executive Director's Budget Recommendations and reflects the best estimates of revenues, fund equity, and appropriation needs available at the time. The forecast is presented to the Executive Director. Subject to his review and approval, it is then included in the Budget. The projections are a tool designed to aid the District in planning and controlling its financial position over a longer range than the Annual Budget. It contributes to making the budget a comprehensive financial plan of District operations, past, present, and future. It summarizes the tax impact of the District's strategic goals and objectives.

All participants in the planning process are made aware of the District's budget process and cycle. The budget calendar is relatively the same from year-to-year and is distributed to the Board and staff in the first quarter of the preceding budget year. Correspondingly, planning groups develop plans, schedules, and detailed justification for personnel contractual services, materials and supplies, equipment, and capital projects to comply with the annual budgeting process and cycle. Existing facilities' plans, historical expenditures, cash-flow projections, and long-term forecasts provide valuable guidelines as to the availability of resources for the upcoming budget development. These guidelines both facilitate the development of the budget and allow for meaningful debate during the budget review process as to priorities and organizational goals for the budget year, as well as future years. An outline of the Annual Budget process and procedures follows. The Strategic Business Plan guides the development of the Budget and the Five-Year Financial Forecast.

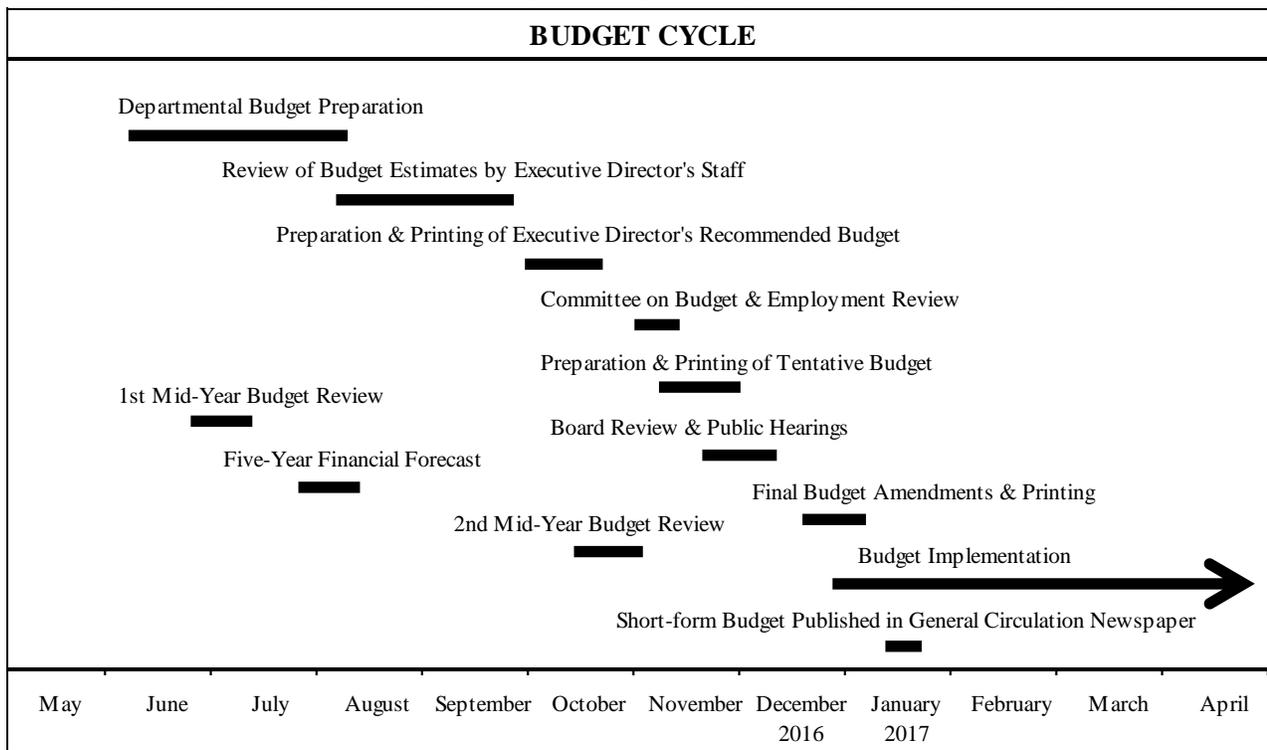
## *Policy Development and The Budget Process*

The fiscal year of the District begins on January 1 and ends on December 31.

1. After the first half of the fiscal year, the Budget Office holds a meeting with departmental budget representatives to discuss policy and procedures for budget preparation that begins in July. Instructions are distributed to departments, together with guidelines from the Executive Director, which indicate the direction the Budget should follow for the coming fiscal year. The basic forms are returned to the Budget Office and a general summary is prepared for the Executive Director, who conducts departmental hearings in September.
2. A revenue meeting is conducted by the Executive Director, Administrative Services Manager, and Budget Officer, along with those departments responsible for revenue items. Available resources used to finance the Budget are analyzed at this meeting.
3. It is usual to have two rounds of departmental hearings. When departmental estimates are approved and final decisions are made, a Budget Message is prepared and the proposals of the Executive Director become the initial Budget document. After departmental requests are finalized, the Executive Director's Budget Recommendations are published within 15 days. The Executive Director's Budget Recommendations are published and presented to the Board in October. At all times, the Budget figures are balanced between revenues and expenditures.
4. The Board holds a public hearing on the Capital Improvement Program in October.
5. The Board's Committee on Budget and Employment holds public meetings with the Executive Director and department heads regarding the Executive Director's proposals.
6. At the conclusion of these hearings, the Committee on Budget and Employment recommends the preparation of a second document, a supplement to the Executive Director's Budget Recommendations called the "Tentative Budget," which incorporates changes approved at the hearings. Once printed, this is placed on public display, along with the Executive Director's Budget Recommendations, for a minimum of 10 days. An advertisement is published in a general circulation newspaper announcing the availability of the Tentative Budget for inspection at the main office of the District, and specifying the time and date of the public hearing.
7. At least one public hearing is held between 10 and 20 days after the Budget has been made available for public inspection. All interested individuals and groups are invited to participate.
8. After the public hearing, the Committee on Budget and Employment presents the Tentative Budget, which includes revisions and the approved Appropriation and Tax Levy Ordinances, to the Board for adoption. This action must take place before January 1.
9. The Budget, as adopted by the Board, can be amended once at the next Regular Meeting of the Board. No amendment, however, can be requested before a minimum of five days after the Budget has been adopted. Amendments for contracts and/or services not received before December 31 must be reappropriated in the new Budget and are included through this amendment process.
10. The Final Budget document "As Adopted and Amended" is produced, and an abbreviated version, known as the "short form" is published in a newspaper of general circulation before January 20 of the fiscal year.
11. Budget implementation begins on January 1. The Finance Department and Budget Office provide control of appropriations and ensure that all expenditures are made in accordance with budget specifications. The manual entitled "Budget Code Book" is published in conformance with the Adopted Budget and is used to administer, control, and account for the Budget.
12. Supplemental appropriations can be made for the appropriation of revenues from federal or state grants, loans, bond issues, and emergencies. The Executive Director is authorized to transfer appropriations between line items within an object class of expenditure within a department. After March 1 of each fiscal year, transfers of appropriations between objects of expenditures or between departments must be presented for approval to the Board in accordance with applicable statutes.
13. The Board can authorize, by a two-thirds majority, the transfer of accumulated investment income between funds and the transfer of assets among the Working Cash Funds.

## CALENDAR FOR 2017 BUDGET

- Board of Commissioners Holds a Study Session  
on the Strategic Business Plan at 2:00 P.M. .... Thursday, June 16, 2016
  
- Executive Director’s Budget Recommendations  
Submitted to Board of Commissioners ..... Tuesday, October 11, 2016
  
- Board of Commissioners Holds a Public Hearing  
on the Capital Improvement Program at 10:30 A.M. ....Thursday, October 20, 2016
  
- Committee on Budget & Employment Hearings at 1:00 P.M. ....Thursday, November 3, 2016  
(Friday, November 4, 2016, if necessary)
  
- Committee on Budget & Employment Submits Tentative Budget  
to Board of Commissioners for Public Display .....Thursday, November 17, 2016
  
- Board of Commissioners Holds a Public Hearing  
on the Budget at 2:00 P.M. .... Thursday, December 1, 2016
  
- Board of Commissioners Adopts the Budget..... Thursday, December 8, 2016
  
- Board of Commissioners Amends the Adopted Budget ..... Thursday, December 15, 2016



The procedure for the annual budget process is detailed on the previous pages.

**ORDINANCE NUMBER O16-011**

**ANNUAL APPROPRIATION ORDINANCE OF THE  
METROPOLITAN WATER RECLAMATION DISTRICT  
OF GREATER CHICAGO  
FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2017  
AND ENDING DECEMBER 31, 2017**

**BE IT ORDAINED** by the Board of Commissioners of the Metropolitan Water Reclamation District of Greater Chicago:

*Section 1.* That this Ordinance be and the same is hereby termed the “Annual Appropriation Ordinance of the Metropolitan Water Reclamation District of Greater Chicago for the fiscal year beginning January 1, 2017 and ending December 31, 2017.”

*Section 2.* That the amounts hereinafter set forth or so much thereof as may be authorized by law and as may be needed, and not exceeding the aggregate sum allocated to and expendable by each department or principal division, be and the same are hereby appropriated for the payment of: (a) interest coupons on bonds; (b) sinking fund requirements for the payment of the principal of said bonds; (c) the Metropolitan Water Reclamation District Retirement Fund; (d) Construction Fund purposes; (e) Capital Improvements Bond Fund purposes; (f) Reserve Claim Fund; (g) Stormwater Management Fund purposes; and (h) all other corporate purposes of the Metropolitan Water Reclamation District of Greater Chicago during the fiscal year beginning January 1, 2017 and ending December 31, 2017.

*Section 3.* That for the purposes of accounting and expenditure control, the budgetary accounts set forth under the recital of estimated resources of the Metropolitan Water Reclamation District of Greater Chicago and budgetary accounts and code designations set forth in this Ordinance, shall be the official code designations of the Metropolitan Water Reclamation District of Greater Chicago and that the manual of Classification of Budgetary Code Accounts issued by General Administration of the Metropolitan Water Reclamation District of Greater Chicago, as revised, shall be in conformity therewith.

*Section 4.* That the Clerk and the other Heads of Departments of the Metropolitan Water Reclamation District of Greater Chicago shall use the aforesaid official code designations in administering the Appropriation Ordinance and in accounting for expenditures authorized herein.

*Section 5.* That wherever an appropriation is made under the classification “Personal Services,” “Contractual Services,” “Materials and Supplies,” “Machinery and Equipment,” “Capital Improvements,” “Land” or “Fixed and other Charges,” it is supported by a schedule of Line Items.

The Executive Director is authorized to transfer appropriations between line items within an object class of

expenditure within a department. Transfers of appropriations between objects of expenditure or between departments must be presented for approval to the Board of Commissioners in accordance with applicable statutes.

All expenditures against such appropriations shall be made in accordance with such supporting Line Item Schedules, and no voucher shall be approved by the Clerk for a sum exceeding the amount shown in said schedules; that the titles and the compensations appearing in the Personal Services supporting schedules shall be construed to be the official titles and maximum compensation for the same.

(a) Included in the appropriation for Total Personal Services is Account Number 601010 “Salaries of Regular Employees” that includes District pickup of employees’ contributions to the Pension Fund and in applicable departments, divisions or sections is Account Number 601060 “Compensation Plan Adjustments” provided for the purpose of implementing the Compensation Plan and associated salary and pay grade schedules for classified employees and exempt secretaries as adopted by the Board of Commissioners. The amount set up under Account Number 601060 “Compensation Plan Adjustments” include (1) the adjustment of salaries for employees eligible to receive step increases based on the prescribed standards of service and performance, (2) changes in Labor and Trades Wage Schedule Classifications as authorized by the Board of Commissioners, and (3) payments to eligible employees for incentive pay for unused sick leave, retirements, severance, termination, and unused overtime and/or vacation pay as authorized by the Board of Commissioners.

(b) The symbol “#” or crosshatch followed by a number, when used in the budget document, means the following:

#1. After a title, signifies that the incumbent will retain the title until he or she vacates the position and then the position will be dropped.

#2. After a title, signifies that when the position is vacated, the person filling the vacancy will receive the title within the parentheses. It can also indicate that while a grade level for a class title has been lowered, the incumbent in the position will be retained at the current grade level. This is indicated by a notation of the new grade level in parentheses following the title.

#4. After a title, signifies that while a class title has been assigned to the Technical, Administrative and Managerial (TAM) salary schedule, the incumbent in the position will be compensated under the previously assigned Professional and Managerial

(PM) or General Service (GS) salary schedule. When the position is vacated, the person filling the vacancy by promotion or new appointment will be compensated under the TAM salary schedule.

*Section 6.* That amounts appropriated under classifications other than "Personal Services" to any department or division of the Metropolitan Water Reclamation District of Greater Chicago shall be expended under the following conditions:

(a) Insofar as practicable, all contracts for purchases and open market orders for purchases to be charged against such appropriation shall be based upon specifications which are definite and certain as to character and quality, and which conform to standard specifications for the various classes of Materials and Supplies, Machinery and Equipment already prescribed or hereafter to be prescribed by the Board of Standardization of the Metropolitan Water Reclamation District of Greater Chicago.

(b) The Clerk of the Metropolitan Water Reclamation District of Greater Chicago shall certify to the sufficiency of appropriations out of which such amounts due under contracts are to be paid.

(c) The Director of Procurement and Materials Management shall certify that the specifications for purchases of such Materials and Supplies, and Machinery and Equipment, for which standard specifications have been prescribed by the Board of Standardization of the Metropolitan Water Reclamation District of Greater Chicago, are in conformity with such standard specifications.

(d) All open market orders issued by any department or division for Materials and Supplies, and Machinery and Equipment, for which specifications shall have been prescribed by the Board of Standardization of the Metropolitan Water Reclamation District of Greater Chicago, shall contain a description of the goods ordered and insofar as practicable and feasible conform with such standard specifications.

(e) The Director of Procurement and Materials Management shall, in auditing claims for goods delivered on open market order, determine through inspection or otherwise, whether the goods delivered conform to such standard specifications.

(f) Every contract or purchase order involving amounts in excess of \$10,000.00 shall be signed by the Chairman of the Committee on Finance or other duly authorized officer of the Board of Commissioners, by the Executive Director, by the Clerk, and by the Director of Procurement and Materials Management of the Metropolitan Water Reclamation District of Greater Chicago.

The only exception to the above is for contracts and purchase orders for materials, supplies, and equipment for which the competitive bid threshold is \$25,000.00. These contracts and purchase orders only require the signature of the Director of Procurement and Materials Management of

the Metropolitan Water Reclamation District of Greater Chicago.

(g) The Comptroller of the Metropolitan Water Reclamation District of Greater Chicago shall conduct audits of all expenditures. The Comptroller shall report the results of such audit to the President and the Board of Commissioners of the Metropolitan Water Reclamation District of Greater Chicago.

*Section 7.* That no employee shall have the right to demand continuous employment and compensation by reason of the appropriation if it becomes necessary to lay an employee off due to lack of work or lack of funds.

*Section 8.* That the supporting schedules and statements including unpaid bills and the item objects and purposes are appropriated for as follows:

**NOTE PAGE**

# SECTION II

## BUDGET AND FINANCIAL SUMMARIES, SCHEDULES, AND EXHIBITS

This section includes a broad overview of the 2017 Budget with comparisons to past years and the projection of future District needs.

It begins by asking two basic questions: Where Does the Money Come From? and Where Does the Money Go? Answers are presented graphically using a dollar bill to illustrate.

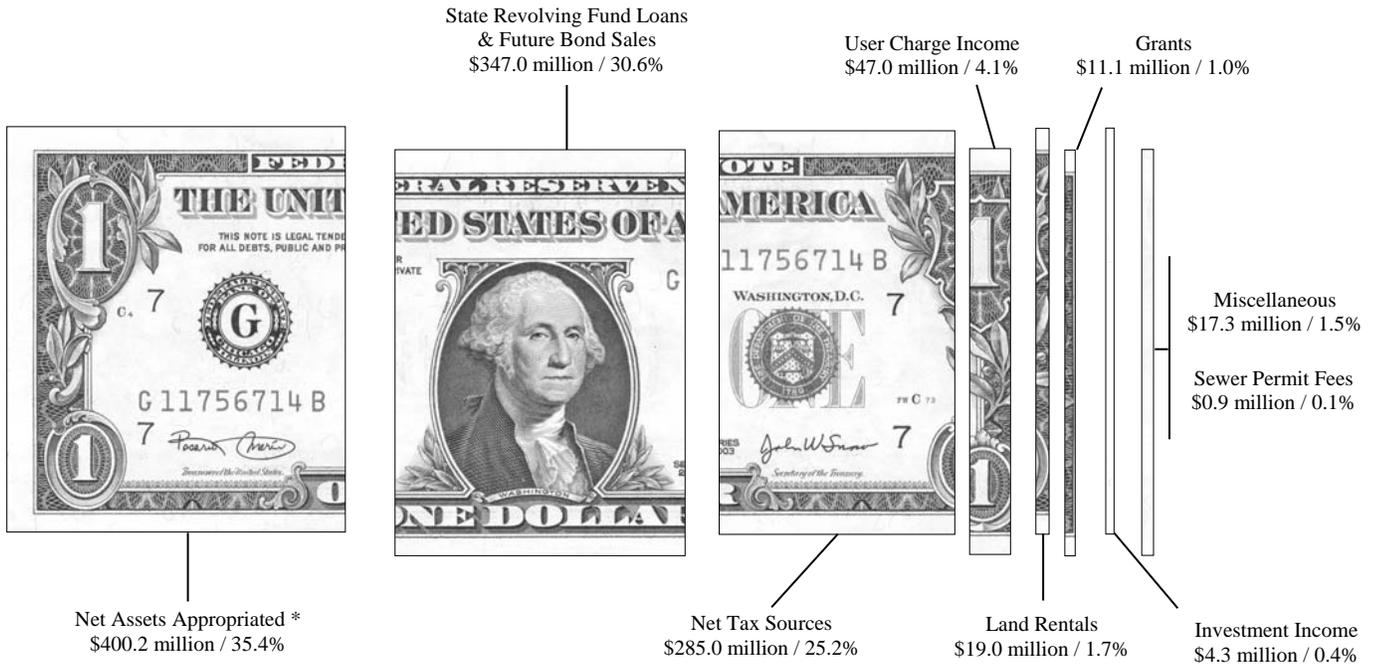
The comparison of budget and current year appropriations, tax levies, and tax rates by fund is one of the most comprehensive and most useful comparisons in the budget.

Continuing to look at the overall picture, this section presents a detailed view of the entire budget, organizing information in different ways so that the user can compare budget and current year appropriations by department, fund, object, and program. Allocation of personnel is also compared by year, department, and fund.

Having looked at the budget plan for 2017 and comparing it to previous years, this section also provides a projection of the future: the comprehensive Five-Year Financial Forecast for 2017-2021.

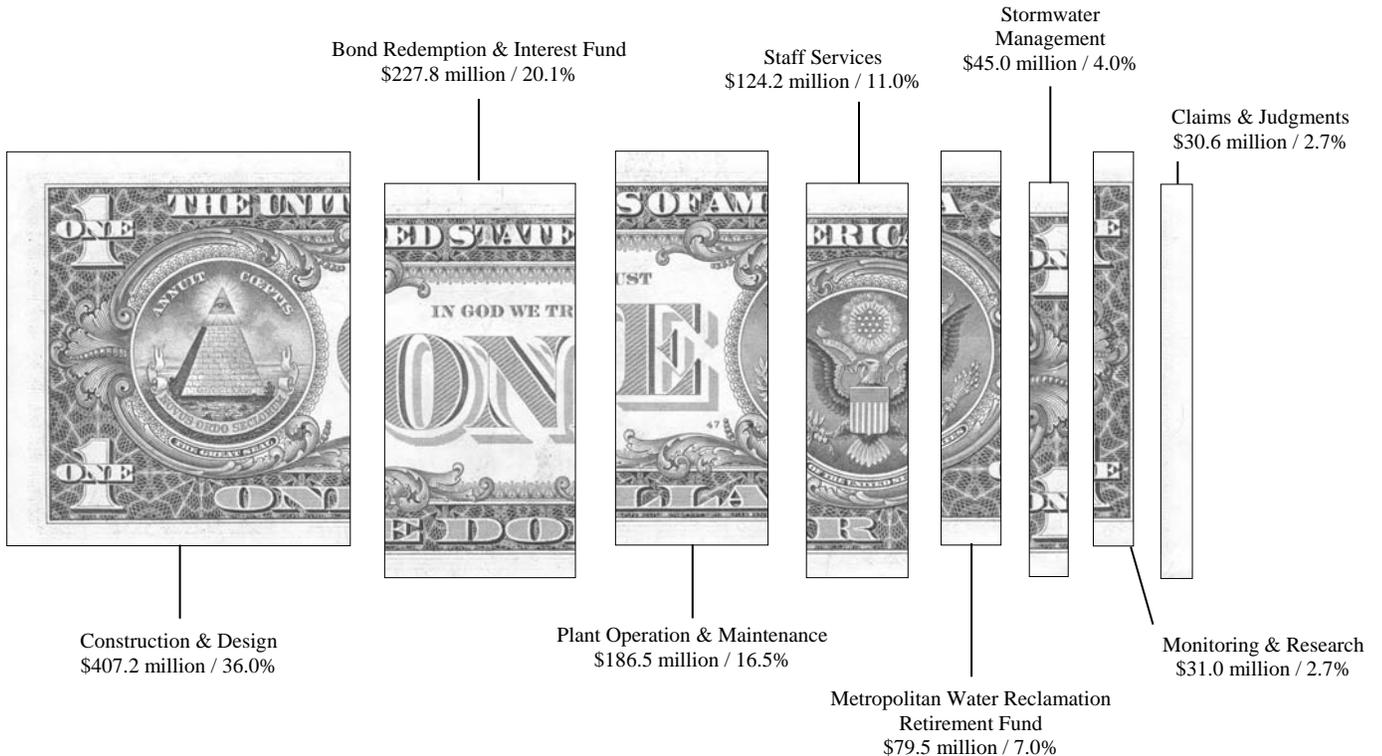
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**WHERE THE MONEY COMES FROM: \$1,131.8 MILLION**



\* \$400.2 of the \$483.4 Net Assets Appropriable detailed in the analysis on the next page will be appropriated as revenue for 2017 (excludes Capital Improvements Bond Fund).

**WHERE THE MONEY GOES: \$1,131.8 MILLION**



**SUMMARY OF NET ASSETS APPROPRIABLE**

at January 1, 2017

(In Millions)

CURRENT ASSETS	FUND								TOTAL
	CORPORATE	CAPITAL IMPROVEMENTS BOND	CONSTRUCTION	STORMWATER MANAGEMENT	RETIREMENT	BOND REDEMPTION & INTEREST	RESERVE CLAIM		
Cash & Investments	\$ 100.2	\$ 138.4	\$ 9.2	\$ 6.4	\$ -	\$ 110.3	\$ 25.2	\$ -	\$ 389.7
Restricted Cash	-	-	-	-	-	-	-	-	-
Deposit with Escrow Agent	-	-	-	-	-	-	-	-	-
Taxes Receivable	218.8	-	16.1	33.3	62.9	222.9	5.6	-	559.6
Replacement Tax	20.3	-	-	-	16.6	-	-	-	36.9
Grants	-	1.0	-	-	-	-	-	-	1.0
State Revolving Fund									
Loans Receivable	-	150.0	-	-	-	-	-	-	150.0
Due from Other Funds	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 339.3</b>	<b>\$ 289.4</b>	<b>\$ 25.3</b>	<b>\$ 39.7</b>	<b>\$ 79.5</b>	<b>\$ 333.2</b>	<b>\$ 30.8</b>	<b>\$ -</b>	<b>\$ 1,137.2</b>
<b>CURRENT LIABILITIES, DESIGNATIONS AND RESTRICTIONS</b>									
Unpaid Bills and									
Contingent Liabilities	\$ 23.4	\$ 907.2	\$ 3.5	\$ 7.0	\$ -	\$ -	\$ 0.4	\$ -	\$ 941.5
Due to Working Cash Funds	180.0	-	12.0	26.5	-	-	-	-	218.5
Liabilities for Restricted Assets	-	-	-	-	-	-	-	-	-
Principal and Interest	-	-	-	-	-	111.6	-	-	111.6
<b>Total</b>	<b>\$ 203.4</b>	<b>\$ 907.2</b>	<b>\$ 15.5</b>	<b>\$ 33.5</b>	<b>\$ -</b>	<b>\$ 111.6</b>	<b>\$ 0.4</b>	<b>\$ -</b>	<b>\$ 1,271.6</b>
<b>*Net Assets Appropriable</b>	<b>\$ 135.9</b>	<b>\$ (617.8)</b>	<b>\$ 9.8</b>	<b>\$ 6.2</b>	<b>\$ 79.5</b>	<b>\$ 221.6</b>	<b>\$ 30.4</b>	<b>\$ -</b>	<b>\$ (134.4)</b>
Budget Reserve	\$ (83.2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (83.2)
<b>Net Assets Appropriated</b>	<b>\$ 52.7</b>	<b>\$ (617.8)</b>	<b>\$ 9.8</b>	<b>\$ 6.2</b>	<b>\$ 79.5</b>	<b>\$ 221.6</b>	<b>\$ 30.4</b>	<b>\$ -</b>	<b>\$ (217.6)</b>
<b>Equity Transfer</b>	<b>\$ 6.0</b>	<b>\$ (13.0)</b>	<b>\$ 7.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5.8</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5.8</b>

\* Net Assets Appropriable = Current Assets - Current Liabilities

Note: Amounts are rounded.

**ESTIMATED TAX RATE**

Estimated tax rate to be levied for each \$100.00 of assessed valuation as equalized to finance the appropriations of the Metropolitan Water Reclamation District of Greater Chicago is as follows:

Upon all taxable property within the territorial limits of the Metropolitan Water Reclamation District of Greater Chicago as said territorial limits exist on January 1, 2017.

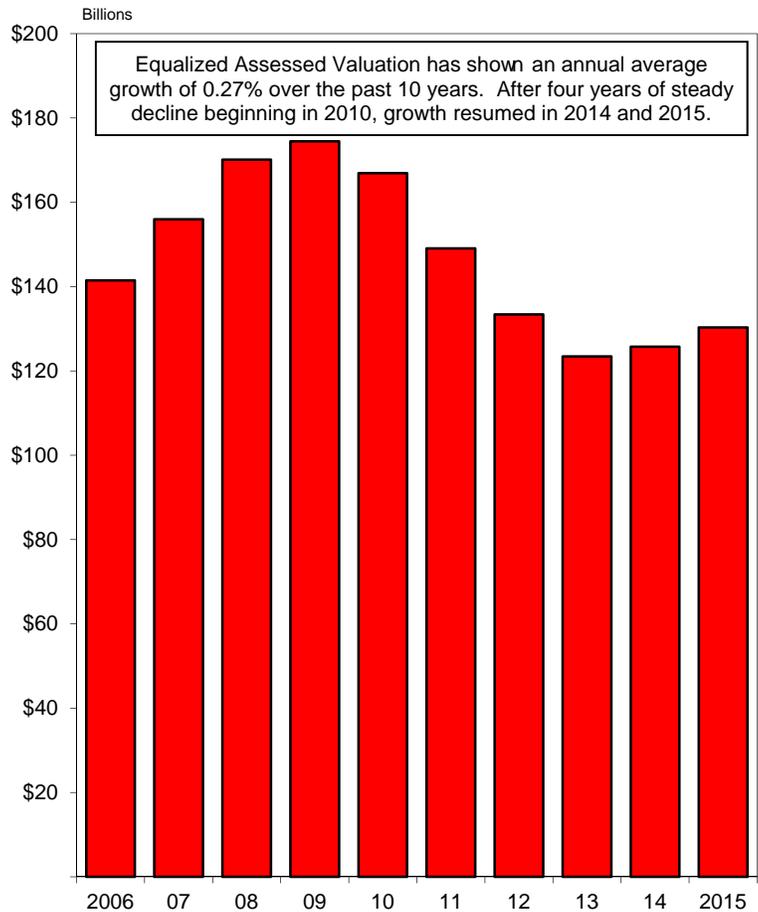
Gross Corporate Fund.....	16.20 ¢
Construction Fund.....	1.23
Stormwater Management Fund.....	2.96
Retirement Fund.....	5.31
Reserve Claim Fund.....	<u>0.43</u>
Subtotal.....	26.13 ¢
Bond Redemption & Interest Fund:	
Capital Improvement Bonds - Series:	
August 2009 Limited Tax.....	2.57 ¢
July 2011 Limited Tax Series B.....	3.00
July 2011 Unlimited Tax Series C.....	0.29
December 2014 Unlimited Tax Series A.....	0.37
December 2014 StormwaterAlt Rev Unlimited Tax Series B.....	0.25
December 2014 Limited Tax Series C.....	0.23
July 2016 Stormwater Alt Rev Unlimited Tax Series E.....	0.19
July 2016 Unlimited Tax Series C.....	0.11
July 2016 Limited Tax Series D.....	0.07
July 2016 Qualified Energy Conservation Series F.....	0.01
State Revolving Fund Bonds - Series:	
1994 R,V; 1997 AA-DD; 2001 A-C; 2004 A-H; 2007 A-D; 2009 A-I; 2012 A-F, H-L,N, O; 2014 A, B, J .....	5.26 ¢
Refunding Bonds - Series:	
March 2007 Unlimited Tax A.....	1.92 ¢
March 2007 Unlimited Tax B.....	0.36
March 2007 Limited Tax C.....	0.40
December 2014 Limited Tax Series D.....	0.67
July 2016 Unlimited Tax Series A.....	1.05
July 2016 Limited Tax Series B.....	<u>0.15</u>
Subtotal Bond Redemption & Interest Fund.....	16.90 ¢
<b>TOTAL ESTIMATED TAX RATE - 2017.....</b>	<b><u><u>43.03 ¢</u></u></b>

### TAXABLE PROPERTY WITHIN THE DISTRICT (Equalized Assessed Valuation)

The equalized assessed property valuation (EAV) of the Metropolitan Water Reclamation District has shown an average growth of 0.27 percent per year over the past 10 years. The EAV increased 3.63% from 2014 to 2015, showing the second year of growth after four years of decline. The boundaries of the District encompass 91 percent of the area of Cook County. The District is located in one of the strongest and most economically diverse geographical areas of the country. The growth in commercial, industrial, and residential sectors in both downtown Chicago and the suburbs contributes to the strong base and the growth in the value of properties located within the District. The Cook County Assessor is responsible for all taxable real property within Cook County except for railroad property and pollution control facilities, which are assessed directly by the State of Illinois.

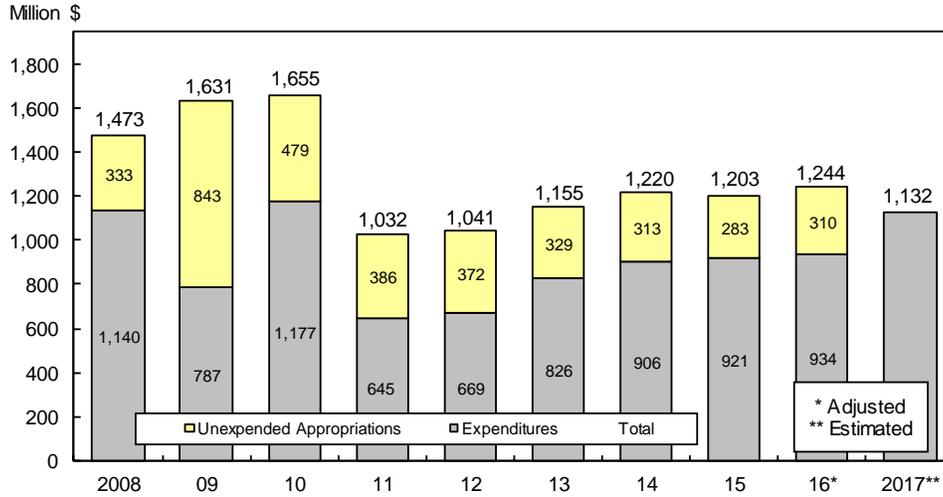
The equalized assessed valuation of real estate property is determined in Cook County based on market values of real estate, reduced by a classification factor determined by property use, and then multiplied by the State of Illinois equalization factor. The statutory objective is to value property at 33<sup>1/3</sup> percent of estimated fair market value.

The equalized assessed property valuation of the District is very important due to the primary reliance of the District on the property tax to fund current operations and future capital programs.



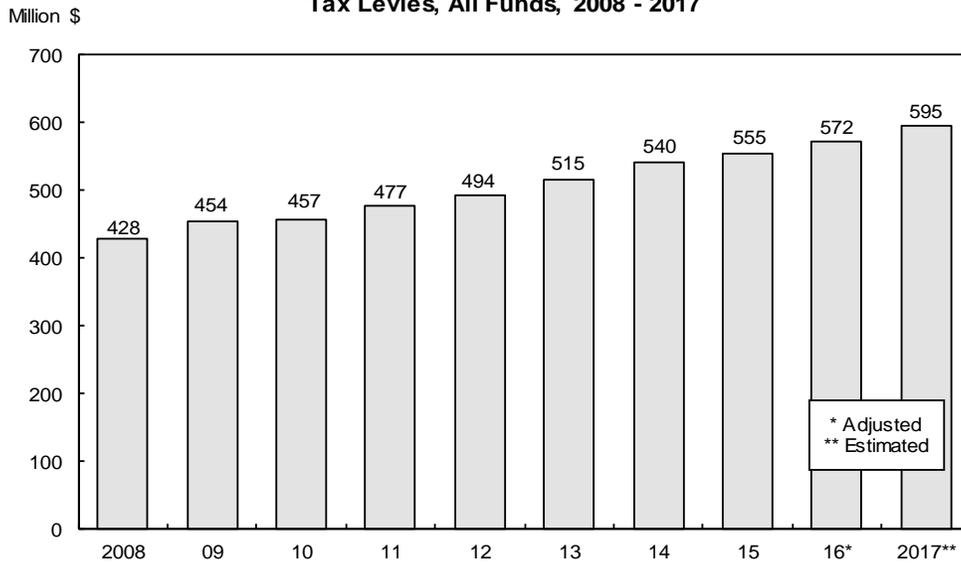
Year	Real Property	Railroad Property and Pollution Control Facilities	Total
2006	\$141.31 billion	\$156.27 million	\$141.47 billion
2007	155.80 billion	172.25 million	155.97 billion
2008	169.91 billion	186.24 million	170.10 billion
2009	174.26 billion	212.23 million	174.47 billion
2010	166.66 billion	256.49 million	166.92 billion
2011	148.77 billion	275.01 million	149.05 billion
2012	133.11 billion	286.93 million	133.40 billion
2013	123.11 billion	311.53 million	123.42 billion
2014	125.43 billion	308.36 million	125.74 billion
2015	129.96 billion	344.38 million	130.30 billion

**Appropriations & Expenditures, 2008 - 2017**

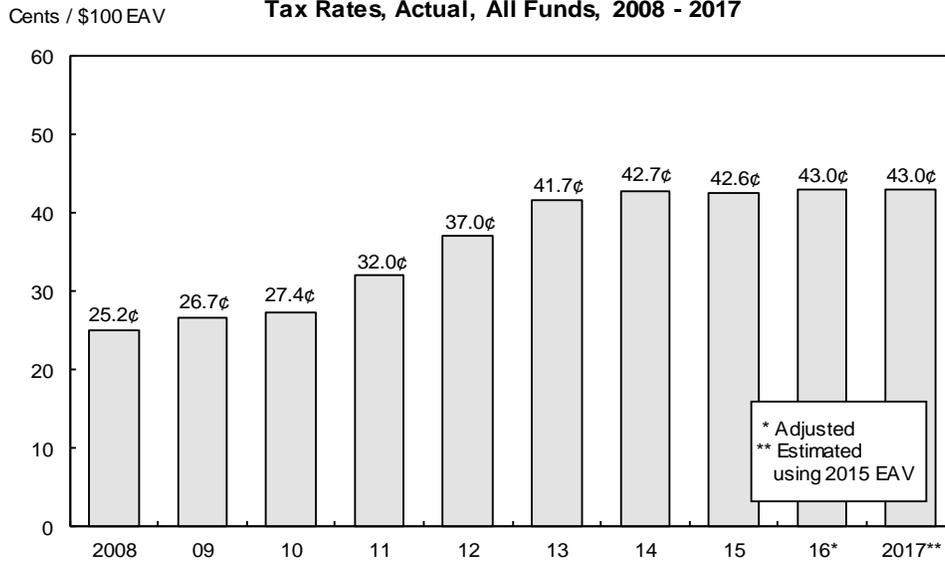


Note: Amounts are rounded.

**Tax Levies, All Funds, 2008 - 2017**



**Tax Rates, Actual, All Funds, 2008 - 2017**



## COMPARATIVE STATEMENT OF APPROPRIATIONS AND TAX LEVIES 2017-2015 ALL FUNDS

APPROPRIATIONS	2017 **	2016 AS PASSED	2016 AS ADJUSTED *	2015 ACTUAL
<b>FUND</b>				
Corporate Fund	\$ 367,062,000	\$ 366,260,700	\$ 366,260,700	\$ 358,995,400
Construction Fund	33,852,900	36,614,400	36,614,400	37,910,700
Capital Improvements Bond Fund ***	348,037,200	483,764,800	483,764,800	453,072,500
Stormwater Management Fund	44,997,100	40,500,800	40,500,800	46,588,800
Retirement Fund	79,505,000	70,772,000	70,772,000	61,654,000
Reserve Claim Fund	30,617,100	30,175,900	30,175,900	30,700,000
Bond Redemption & Interest Fund	227,761,075	216,047,130	216,047,130	214,525,801
<b>TOTAL</b>	<b>\$ 1,131,832,375</b>	<b>\$ 1,244,135,730</b>	<b>\$ 1,244,135,730</b>	<b>\$ 1,203,447,201</b>
<b>LEVIES</b>				
Corporate Fund	\$ 223,946,065	\$ 226,109,300	\$ 226,109,300	\$ 227,659,785
Construction Fund	17,000,000	16,600,000	13,278,297	15,196,952
Stormwater Management Fund	40,856,008	34,250,000	34,250,000	24,050,000
Retirement Fund	73,438,135	65,161,200	65,161,200	58,004,000
Reserve Claim Fund	5,900,000	5,800,000	5,800,000	5,700,000
Subtotal	\$ 361,140,208	\$ 347,920,500	\$ 344,598,797	\$ 330,610,737
Bond Redemption & Interest Fund:				
Capital Improvement Bonds - Series:				
July 2006 Limited Tax	\$ -	\$ -	\$ -	\$ 16,469,690
July 2016 Q E C B	165,804	-	165,805	-
August 2009 Limited Tax	35,564,767	35,564,767	35,564,767	35,564,767
July 2011 Limited Tax Series A	41,406,315	20,230,925	20,230,925	13,894,139
July 2011 Limited Tax Series B	-	-	-	5,646,431
July 2011 Unlimited Tax Series C	3,981,898	7,622,520	7,622,520	13,205,421
2014 Unlimited Tax Series A	5,181,348	5,181,347	5,181,347	5,181,347
2014 Alt Rev Unlimited Tax Series B ****	3,389,171	3,387,824	3,387,824	3,391,347
Alternate Revenue Abatement ****	-	-	(5,978,498)	(3,391,347)
2014 Limited Tax Series C	3,240,156	15,540,933	15,540,933	5,052,021
2016 Alt Rev Unlimited Tax Series E ****	2,590,674	-	2,590,674	-
2016 Unlimited Tax Series C	1,554,405	-	1,554,404	-
2016 Limited Tax Series D	1,036,270	-	1,036,269	-
State Revolving Fund Bonds - Series: Various	72,765,937	70,482,161	72,078,023	69,284,259
Refunding Bonds - Series:				
May 2006 Unlimited Tax	-	17,958,549	-	17,958,550
May 2006 Limited Tax	-	2,631,607	-	2,631,607
March 2007 Unlimited Tax A	26,509,845	25,279,534	25,279,534	29,061,140
March 2007 Unlimited Tax B	4,996,749	4,996,749	4,996,749	4,996,749
March 2007 Limited Tax C	5,541,607	5,541,606	5,541,607	5,541,607
2014 Limited Tax Series D	9,264,767	15,494,041	15,494,042	-
2016 Unlimited Tax Series A	14,555,959	-	14,555,959	-
2016 Limited Tax Series B	2,141,451	-	2,141,451	-
Subtotal Bond Redemption & Interest Fund	\$ 233,887,123	\$ 229,912,563	\$ 226,984,335	\$ 224,487,728
<b>TOTAL</b>	<b>\$ 595,027,331</b>	<b>\$ 577,833,063</b>	<b>\$ 571,583,132</b>	<b>\$ 555,098,465</b>
Abatement after the budget year ****	(5,979,845)			
<b>Total (after planned abatement)</b>	<b>\$ 589,047,486</b>			

NOTES: \* As Adjusted reflects the 2015 Equalized Assessed Valuation (EAV) (\$130,304,803,798) estimated to increase 3.0 percent, plus any subsequent supplemental levies and/or appropriations.

\*\* 2017 reflects an estimated 3.0 percent increase in the EAV from the 2016 estimate.

\*\*\* Prior year obligations for the Capital Improvements Bond Fund are included in the Appropriation for Liabilities.

\*\*\*\* As part of the plan of financing, it is intended and anticipated that tax revenues deposited in the Stormwater Fund be transferred to the Bond Fund and used to abate taxes levied for this issue.

**COMPARATIVE STATEMENT OF TAX RATES  
2017-2015 ALL FUNDS**

Per \$100 in Equalized Assessed Valuation (EAV)

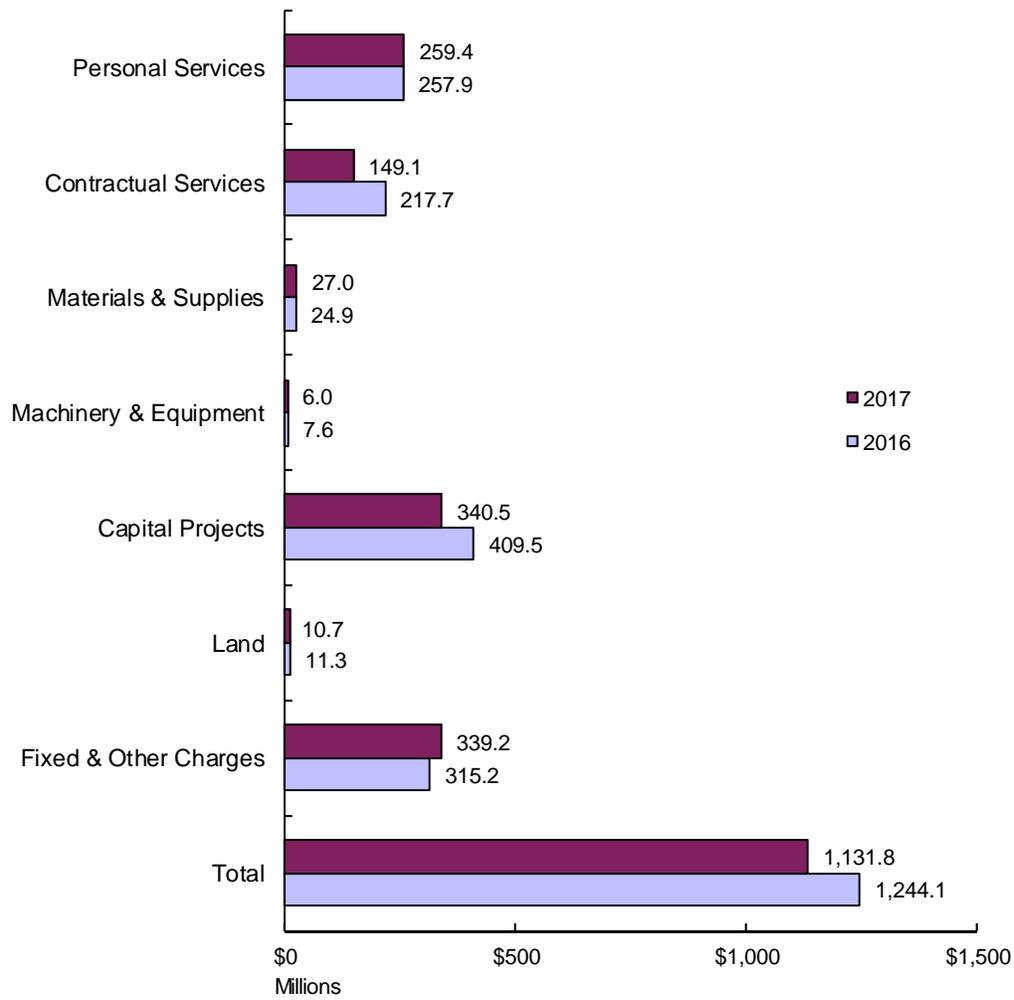
FUND	2017 **	2016 AS PASSED	2016 AS ADJUSTED *	2015 ACTUAL
	tax rate limit			
Corporate Fund	41 ¢	16.20 ¢	16.87 ¢	17.47 ¢
Construction Fund	10 ¢	1.23	1.24	1.17
Stormwater Management Fund	5 ¢	2.96	2.56	1.85
Retirement Fund		5.31	4.86	4.45
Reserve Claim Fund	½ ¢	0.43	0.43	0.44
Subtotal	26.13 ¢	25.96 ¢	25.68 ¢	25.38 ¢
<b>Bond Redemption &amp; Interest Fund:</b>				
<b>Capital Improvement Bonds - Series:</b>				
July 2006 Limited Tax	-	-	-	1.26 ¢
July 2016 Q E C B	0.01	-	0.01	-
August 2009 Limited Tax	2.57	2.65	2.65	2.73
July 2011 Limited Tax Series A	3.00	1.51	1.51	1.07
July 2011 Limited Tax Series B	-	-	-	0.43
July 2011 Unlimited Tax Series C	0.29	0.57	0.57	1.01
December 2014 Unlimited Tax Series A	0.37	0.39	0.39	0.40
2014 Alt Rev Unlimited Tax Series B ***	0.25	0.57	0.25	0.26
December 2014 Limited Tax Series C	0.23	0.39	1.16	(0.26)
2016 Alt Rev Unlimited Tax Series E ****	0.19	-	0.19	
June 2016 Unlimited Tax Series C	0.11	-	0.12	
June 2016 Limited Tax Series D	0.07	-	0.08	
<b>State Revolving Fund Bonds - Series:</b>				
Various	5.26	5.26	5.37	5.32
<b>Refunding Bonds - Series:</b>				
May 2006 Unlimited Tax	-	1.34	-	1.38
May 2006 Limited Tax	-	0.20	-	0.20
March 2007 Unlimited Tax Series A	1.92	1.89	1.88	2.23
March 2007 Unlimited Tax Series B	0.36	0.37	0.37	0.38
March 2007 Limited Tax Series C	0.40	0.41	0.41	0.43
December 2014 Limited Tax D	0.67	1.16	1.15	0.39
June 2016 Unlimited Tax Series A	1.05	-	1.08	-
June 2016 Limited Tax B	0.15	-	0.16	-
Subtotal Bond Redemption & Interest Fund	16.90 ¢	16.71 ¢	17.35 ¢	17.23 ¢
<b>TOTAL</b>	43.03 ¢	42.67 ¢	43.03 ¢	42.61 ¢

NOTES: \* As Adjusted reflects the 2015 EAV (\$130,304,803,798) estimated to increase 3.0 percent, plus any subsequent supplemental levies and/or appropriations.

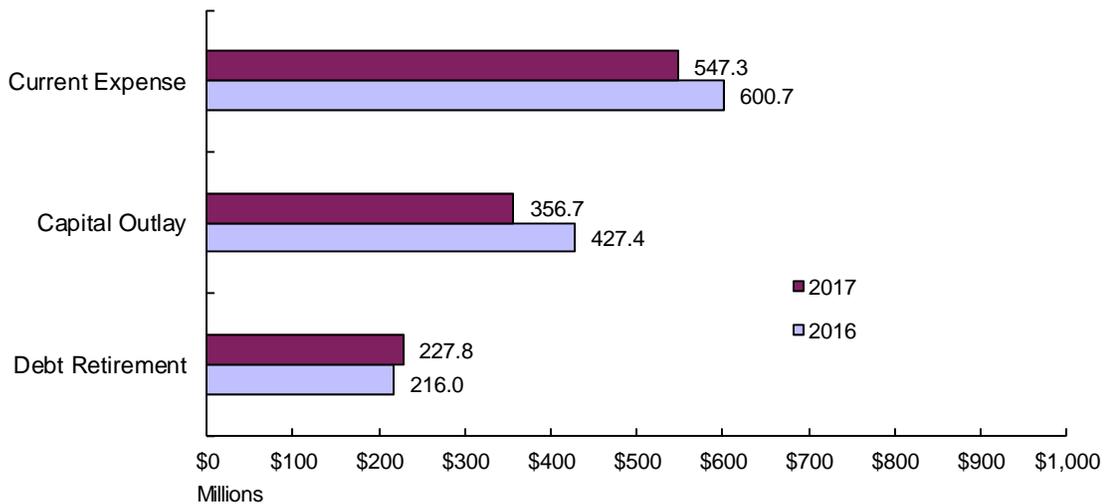
\*\* 2017 reflects an estimated 3.0 percent increase in the EAV from the 2016 estimate.

\*\*\* As part of the plan of financing, it is intended and anticipated that tax revenues deposited in the Stormwater Fund be transferred to the Bond Fund and used to abate taxes levied for this issue.

**COMPARATIVE APPROPRIATIONS BY MAJOR OBJECT OF EXPENDITURE**



**COMPARATIVE APPROPRIATIONS BY MAJOR CHARACTER OF EXPENDITURE**



## COMPARATIVE APPROPRIATIONS BY MAJOR OBJECT OF EXPENDITURE 2017-2016\* ALL FUNDS

ORGANIZATION or FUND	YEAR	TOTAL	PERSONAL SERVICES	CONTRACTUAL SERVICES	MATERIALS & SUPPLIES	MACHINERY & EQUIPMENT	CAPITAL PROJECTS	LAND	FIXED & OTHER CHARGES
Board of Commissioners	2017	\$ 4,510,800	\$ 4,203,200	\$ 297,600	\$ 10,000	\$ -	\$ -	\$ -	\$ -
	2016	\$ 4,407,800	\$ 4,029,000	\$ 370,700	\$ 8,100	\$ -	\$ -	\$ -	\$ -
General Administration	2017	18,545,300	13,224,600	5,032,900	287,800	-	-	-	-
	2016	16,819,300	11,672,600	4,837,300	299,400	10,000	-	-	-
Monitoring & Research	2017	31,030,400	28,636,800	1,413,800	500,800	479,000	-	-	-
	2016	30,523,200	28,064,900	1,606,100	512,200	340,000	-	-	-
Procurement & Materls. Management	2017	9,534,000	5,747,100	152,000	3,634,900	-	-	-	-
	2016	8,777,400	5,536,900	193,000	3,047,500	-	-	-	-
Human Resources	2017	59,032,300	53,715,900	5,077,500	238,900	-	-	-	-
	2016	60,816,800	55,463,500	5,192,900	160,400	-	-	-	-
Information Technology	2017	17,283,200	8,942,100	7,362,000	904,100	75,000	-	-	-
	2016	17,448,600	9,068,800	7,355,300	877,700	146,800	-	-	-
Law	2017	8,375,300	5,306,900	2,160,700	17,700	-	-	-	890,000
	2016	7,972,600	5,152,200	1,975,700	24,700	-	-	-	820,000
Finance	2017	3,655,900	3,243,200	393,100	19,600	-	-	-	-
	2016	3,696,300	3,274,900	413,600	7,800	-	-	-	-
Maint. & Operations:									
General Division	2017	26,598,400	12,992,200	12,697,700	908,500	-	-	-	-
	2016	23,111,200	9,456,000	12,665,300	989,900	-	-	-	-
North Service Area	2017	41,687,300	24,615,900	14,278,400	2,665,000	128,000	-	-	-
	2016	43,830,100	26,237,100	14,691,500	2,759,500	142,000	-	-	-
Calumet Service Area	2017	37,207,700	18,448,400	13,547,200	5,179,100	33,000	-	-	-
	2016	38,039,500	19,189,600	13,669,300	5,145,600	35,000	-	-	-
Stickney Service Area	2017	81,012,400	37,761,800	31,964,000	11,281,600	5,000	-	-	-
	2016	82,745,000	38,855,000	34,462,500	9,380,500	47,000	-	-	-
TOTAL Maintenance & Operations	2017	\$ 186,505,800	\$ 93,818,300	\$ 72,487,300	\$ 20,034,200	\$ 166,000	\$ -	\$ -	\$ -
	2016	\$ 187,725,800	\$ 93,737,700	\$ 75,488,600	\$ 18,275,500	\$ 224,000	\$ -	\$ -	\$ -
Engineering	2017	28,589,000	28,045,800	473,000	70,200	-	-	-	-
	2016	28,072,900	27,300,200	689,200	83,500	-	-	-	-
TOTAL Corporate Fund	2017	\$ 367,062,000	\$ 244,883,900	\$ 94,849,900	\$ 25,718,200	\$ 720,000	\$ -	\$ -	\$ 890,000
	2016	\$ 366,260,700	\$ 243,300,700	\$ 98,122,400	\$ 23,296,800	\$ 720,800	\$ -	\$ -	\$ 820,000
Construction Fund	2017	33,852,900	-	6,695,000	-	5,183,300	21,974,600	-	-
	2016	36,614,400	-	6,220,900	331,000	6,760,800	23,301,700	-	-
Capital Improvements Bond Fund	2017	348,037,200	-	22,067,000	-	-	313,454,300	10,300,000	2,215,900
	2016	483,764,800	-	95,883,000	-	-	376,478,600	10,300,000	1,103,200
Stormwater Management Fund	2017	44,997,100	6,531,200	25,498,300	1,274,500	85,000	5,028,800	410,000	6,169,300
	2016	40,500,800	6,593,600	17,512,600	1,274,500	100,000	9,747,400	1,000,000	4,272,700
Bond Redemption & Interest Fund	2017	227,761,075	-	-	-	-	-	-	227,761,075
	2016	216,047,130	-	-	-	-	-	-	216,047,130
Retirement Fund	2017	79,505,000	-	-	-	-	-	-	79,505,000
	2016	70,772,000	-	-	-	-	-	-	70,772,000
Reserve Claim Fund	2017	30,617,100	8,000,000	-	-	-	-	-	22,617,100
	2016	30,175,900	8,000,000	-	-	-	-	-	22,175,900
<b>GRAND TOTAL</b>	2017	\$1,131,832,375	\$ 259,415,100	\$ 149,110,200	\$ 26,992,700	\$ 5,988,300	\$ 340,457,700	\$ 10,710,000	\$ 339,158,375
	2016	\$1,244,135,730	\$ 257,894,300	\$ 217,738,900	\$ 24,902,300	\$ 7,581,600	\$ 409,527,700	\$ 11,300,000	\$ 315,190,930
PERCENTAGES	2017	100.0%	22.9%	13.2%	2.4%	0.5%	30.1%	0.9%	30.0%
	2016	100.0%	20.7%	17.5%	2.0%	0.6%	32.9%	0.9%	25.3%

Note: Percentages are rounded.

\* Adjusted Appropriation

## COMPARATIVE APPROPRIATIONS BY CHARACTER OF EXPENDITURE 2017-2016\* ALL FUNDS

ORGANIZATION OR FUND	YEAR	TOTAL	CURRENT EXPENSE	CAPITAL OUTLAY	DEBT RETIREMENT
Board of Commissioners	2017	\$ 4,510,800	\$ 4,510,800	\$ -	\$ -
	2016	\$ 4,407,800	\$ 4,407,800	\$ -	\$ -
General Administration	2017	18,545,300	18,545,300	-	-
	2016	16,819,300	16,809,300	10,000	-
Monitoring & Research	2017	31,030,400	30,551,400	479,000	-
	2016	30,523,200	30,183,200	340,000	-
Procurement & Materials Management	2017	9,534,000	9,534,000	-	-
	2016	8,777,400	8,777,400	-	-
Human Resources	2017	59,032,300	59,032,300	-	-
	2016	60,816,800	60,816,800	-	-
Information Technology	2017	17,283,200	17,208,200	75,000	-
	2016	17,448,600	17,301,800	146,800	-
Law	2017	8,375,300	8,375,300	-	-
	2016	7,972,600	7,972,600	-	-
Finance	2017	3,655,900	3,655,900	-	-
	2016	3,696,300	3,696,300	-	-
Maintenance & Operations:					
General Division	2017	26,598,400	26,598,400	-	-
	2016	23,111,200	23,111,200	-	-
North Service Area	2017	41,687,300	41,559,300	128,000	-
	2016	43,830,100	43,688,100	142,000	-
Calumet Service Area	2017	37,207,700	37,174,700	33,000	-
	2016	38,039,500	38,004,500	35,000	-
Stickney Service Area	2017	81,012,400	81,007,400	5,000	-
	2016	82,745,000	82,698,000	47,000	-
TOTAL Maintenance & Operations	2017	\$ 186,505,800	\$ 186,339,800	\$ 166,000	\$ -
	2016	\$ 187,725,800	\$ 187,501,800	\$ 224,000	\$ -
Engineering	2017	28,589,000	28,589,000	-	-
	2016	28,072,900	28,072,900	-	-
TOTAL Corporate Fund	2017	\$ 367,062,000	\$ 366,342,000	\$ 720,000	\$ -
	2016	\$ 366,260,700	\$ 365,539,900	\$ 720,800	\$ -
Construction Fund	2017	33,852,900	6,695,000	27,157,900	-
	2016	36,614,400	6,551,900	30,062,500	-
Capital Improvements Bond Fund	2017	348,037,200	24,282,900	323,754,300	-
	2016	483,764,800	96,986,200	386,778,600	-
Stormwater Management Fund	2017	44,997,100	39,883,300	5,113,800	-
	2016	40,500,800	30,653,400	9,847,400	-
Bond Redemption & Interest Fund	2017	227,761,075	-	-	227,761,075
	2016	216,047,130	-	-	216,047,130
Retirement Fund	2017	79,505,000	79,505,000	-	-
	2016	70,772,000	70,772,000	-	-
Reserve Claim Fund	2017	30,617,100	30,617,100	-	-
	2016	30,175,900	30,175,900	-	-
<b>GRAND TOTAL</b>	2017	<b>\$ 1,131,832,375</b>	<b>\$ 547,325,300</b>	<b>\$ 356,746,000</b>	<b>\$ 227,761,075</b>
	2016	<b>\$ 1,244,135,730</b>	<b>\$ 600,679,300</b>	<b>\$ 427,409,300</b>	<b>\$ 216,047,130</b>
PERCENTAGES	2017	100%	48%	32%	20%
	2016	100%	48%	34%	17%

Note: Percentages are rounded.

\* Adjusted Appropriation

**2017 - 2016\* PROGRAM APPROPRIATION - ALL FUNDS  
BY DEPARTMENT AND MAJOR PROGRAM**

(In Millions)

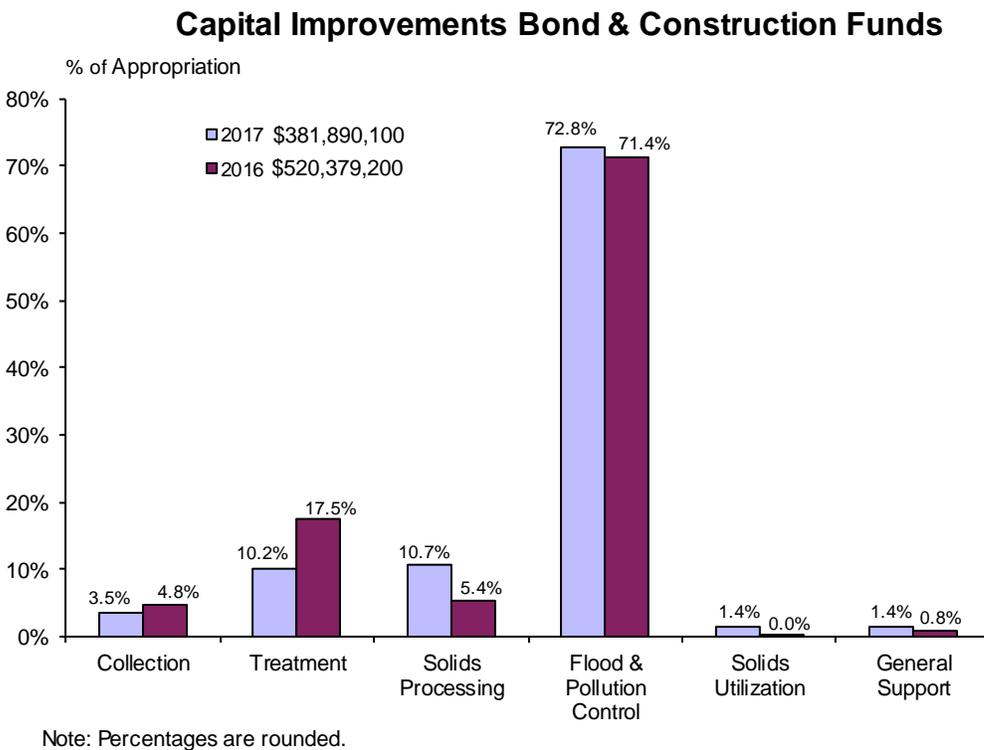
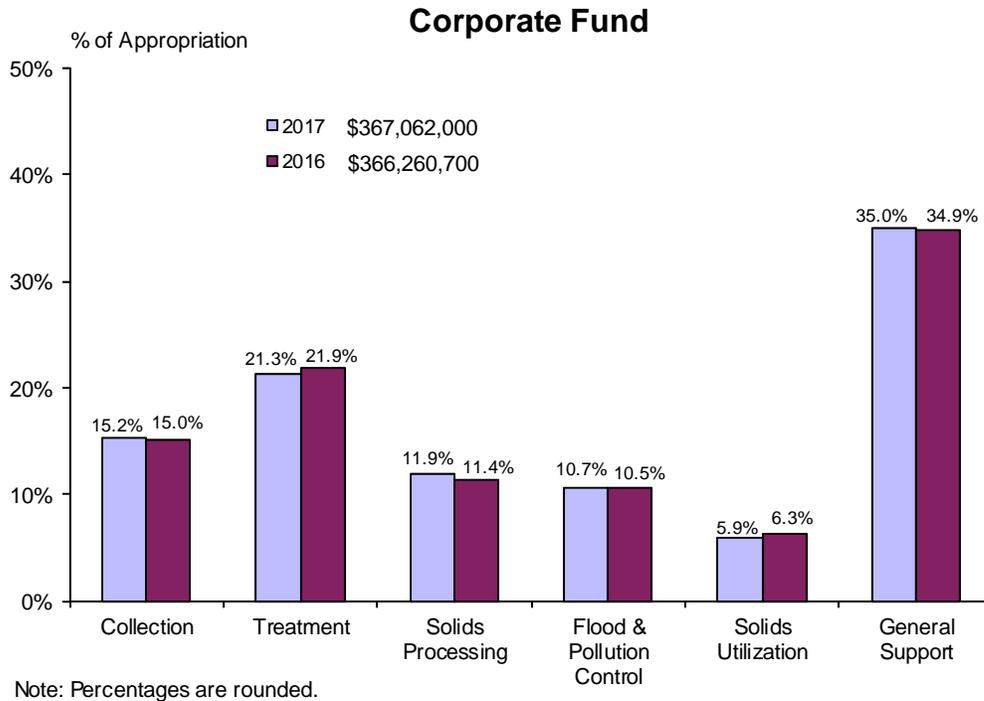
**MAJOR PROGRAM**

DEPARTMENT	COLLECTION		TREATMENT		SOLIDS PROCESSING		SOLIDS UTILIZATION		FLOOD & POLLUTION CONTROL		GENERAL SUPPORT		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Board of Commissioners	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.5	\$ 4.4	\$ 4.5	\$ 4.4
General Administration	-	-	-	-	-	-	-	-	-	-	18.5	16.8	18.5	16.8
Monitoring & Research	-	-	-	-	-	-	-	-	31.0	30.5	-	-	31.0	30.5
Procurement & Materials Management	-	-	-	-	-	-	-	-	-	-	9.5	8.8	9.5	8.8
Human Resources	-	-	-	-	-	-	-	-	-	-	59.0	60.8	59.0	60.8
Information Technology	-	-	-	-	-	-	-	-	-	-	17.3	17.4	17.3	17.4
Law	-	-	-	-	-	-	-	-	-	-	8.3	7.9	8.3	7.9
Finance	-	-	-	-	-	-	-	-	-	-	3.7	3.7	3.7	3.7
Maintenance & Operations	48.5	47.8	69.0	71.0	37.8	35.9	21.3	22.8	4.8	4.7	5.2	5.5	186.5	187.8
Engineering	7.5	7.2	9.1	9.0	6.0	5.8	0.4	0.4	3.4	3.3	2.3	2.4	28.6	28.1
<b>Total Corporate Fund</b>	<b>\$56.0</b>	<b>\$55.0</b>	<b>\$78.1</b>	<b>\$80.0</b>	<b>\$43.7</b>	<b>\$41.7</b>	<b>\$21.6</b>	<b>\$23.1</b>	<b>\$39.2</b>	<b>\$38.6</b>	<b>\$128.4</b>	<b>\$127.8</b>	<b>\$367.0</b>	<b>\$366.2</b>
Construction and Capital Improvements Bond Funds	13.4	25.0	38.9	91.3	40.9	27.9	5.3	0.2	278.0	371.6	5.4	4.4	381.9	520.4
Stormwater Management Fund	-	-	-	-	-	-	-	-	45.0	40.5	-	-	45.0	40.5
Miscellaneous (Debt Service, Retirement, and Reserve Funds)	-	-	-	-	-	-	-	-	-	-	337.9	317.0	337.9	317.0
<b>GRAND TOTAL</b>	<b>\$69.4</b>	<b>\$80.0</b>	<b>\$117.0</b>	<b>\$171.3</b>	<b>\$84.6</b>	<b>\$69.6</b>	<b>\$26.9</b>	<b>\$23.3</b>	<b>\$362.2</b>	<b>\$450.7</b>	<b>\$471.7</b>	<b>\$449.1</b>	<b>\$1,131.7</b>	<b>\$1,244.1</b>

Note: Totals are rounded.  
\* Adjusted Appropriation

### APPROPRIATION DISTRIBUTION BY PROGRAM

To comply with Illinois State Statute, it is necessary to prepare budget estimates and appropriate funds according to programs, as well as organizational units, performance principles, and unit cost data. The two charts on this page show the relationship of major objectives or functions within the Corporate, Construction, and Capital Improvements Bond Funds. The charts compare major program appropriations to the total fund appropriations for 2017 and 2016, as shown on page 49.

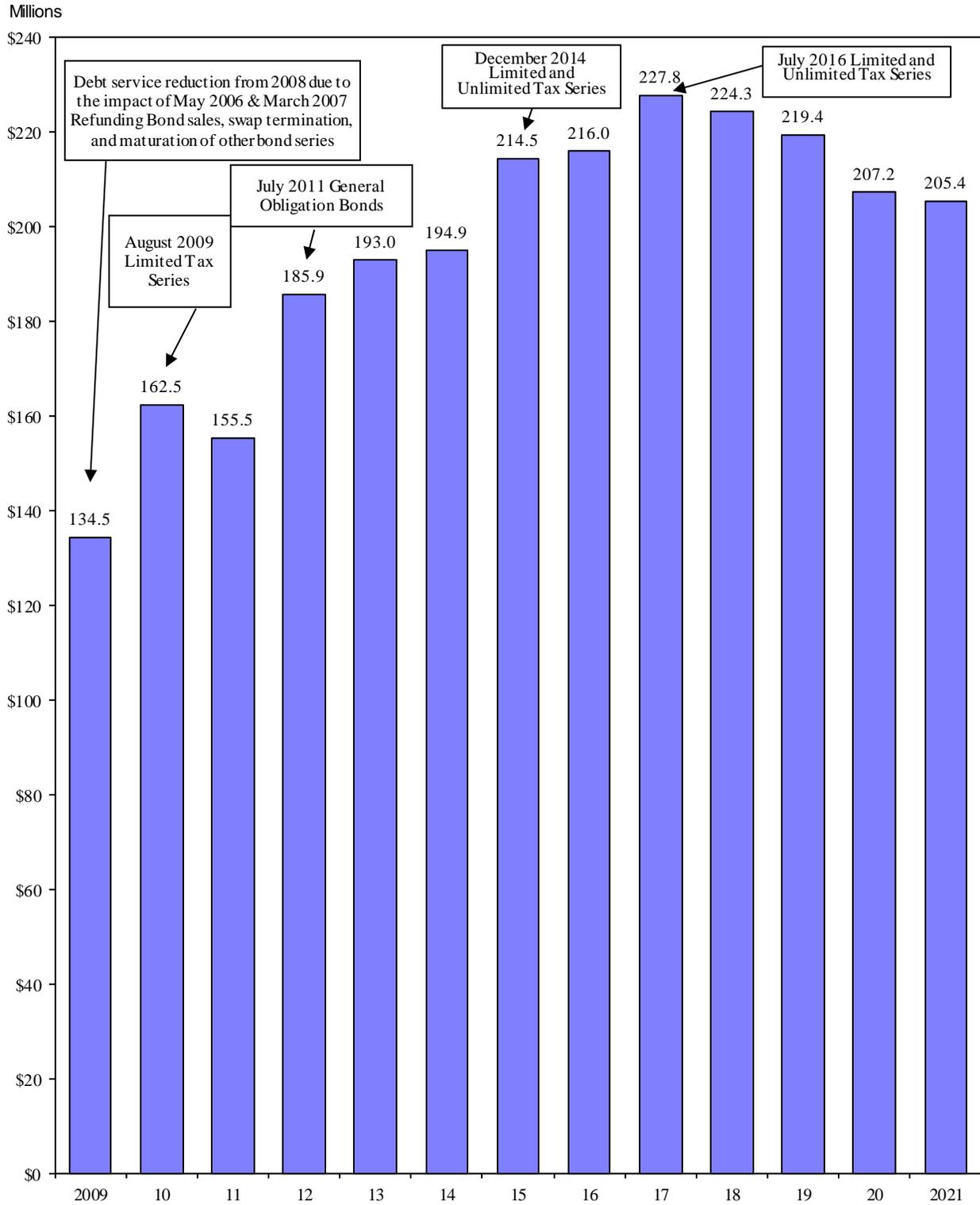


**2017 - 2016 PROGRAM APPROPRIATION COMPARISON  
ALL FUNDS**

PROGRAM OBJECTIVE		2017 BUDGET	2016 ADJUSTED BUDGET	DOLLAR INCREASE (DECREASE)	PERCENT INCREASE (DECREASE)	FTE POSITIONS	
NUMBER	NAME					2017	2016
1000	Collection	\$ 69,455,959	\$ 80,037,851	\$ (10,581,892)	(13.2)	311	315
2000	Treatment	116,971,065	171,310,957	(54,339,892)	(31.7)	458	466
3000	Solids Processing	84,611,514	69,593,901	15,017,613	21.6	254	254
4000	Flood & Pollution Control	362,185,336	450,785,249	(88,599,913)	(19.7)	411	417
5000	Solids Utilization	26,950,201	23,286,462	3,663,739	15.7	45	48
7000	General Support (Debt, Retirement, Law, etc.)	471,658,300	449,121,310	22,536,990	5.0	476	476
<b>TOTAL</b>		<b>\$ 1,131,832,375</b>	<b>\$ 1,244,135,730</b>	<b>\$ (112,303,355)</b>	<b>(9.0)</b>	<b>1,955</b>	<b>1,976</b>

SUMMARY BY FUND	2017 BUDGET	2016 ADJUSTED BUDGET	DOLLAR INCREASE (DECREASE)	PERCENT INCREASE (DECREASE)	FTE POSITIONS 2017	2016
Corporate Fund	\$ 367,062,000	\$ 366,260,700	\$ 801,300	0.2	1,898	1,917
Construction & Capital Improvements Bond Funds	381,890,100	520,379,200	(138,489,100)	(26.6)	-	-
Stormwater Management Fund	44,997,100	40,500,800	4,496,300	11.1	57	59
Retirement Fund	79,505,000	70,772,000	8,733,000	12.3	-	-
Bond Redemption & Interest Fund	227,761,075	216,047,130	11,713,945	5.4	-	-
Reserve Claim Fund	30,617,100	30,175,900	441,200	1.5	-	-
<b>TOTAL</b>	<b>\$ 1,131,832,375</b>	<b>\$ 1,244,135,730</b>	<b>\$ (112,303,355)</b>	<b>(9.0)</b>	<b>1,955</b>	<b>1,976</b>

**ANNUAL DEBT SERVICE - PRINCIPAL AND INTEREST 2009 - 2021**



This chart shows debt service for current bonds outstanding. It does not include bonds to be sold in the future, which are detailed in the Five-Year Financial Forecast on pages 57 and 65.

**OUTSTANDING BONDS AND ESTIMATED STATUTORY DEBT MARGIN  
DECEMBER 31, 2016**

<b>BOND SERIES</b>	<b>DATE OF MATURITY</b>	<b>INTEREST RATES</b>	<b>AMOUNT PAYABLE</b>
<b>Capital Improvements Bonds - Series:</b>			
August 2009 Limited Tax Series	2038	5.72	\$ 600,000,000
July 2011 Limited Tax Series B	2032	3.1 to 5.0	270,000,000
July 2011 Unlimited Tax Series C	2031	3.0 to 5.0	50,330,000
December 2014 Unlimited Tax Series A	2044	5.0	100,000,000
December 2014 Stormwater Alternate Revenue Series B	2044	2.0 to 5.0	49,080,000
December 2014 Limited Tax Series C	2028	2.0 to 5.0	73,840,000
July 2016 Unlimited Tax Series C	2045	5.0	30,000,000
July 2016 Limited Tax Series D	2030	5.0	20,000,000
July 2016 Stormwater Alternate Revenue Series E	2045	5.0	50,000,000
July 2016 Qualified Energy Conservation Series F	2036	4.0	4,000,000
SUBTOTAL - Capital Improvements Bonds:			<u>\$ 1,247,250,000</u>
<b>Refunding Bonds - Series:</b>			
March 2007 Unlimited Tax Series A	2022	4.0 to 5.0	\$ 129,295,000
March 2007 Unlimited Tax Series B	2035	4.0 to 5.0	91,845,000
March 2007 Limited Tax Series C	2033	4.0 to 5.0	101,860,000
December 2014 Limited Tax Series D	2022	2.0 to 5.0	70,535,000
July 2016 Unlimited Tax Series A	2031	5.0	280,930,000
July 2016 Limited Tax Series B	2031	5.0	41,330,000
SUBTOTAL - Refunding Bonds:			<u>\$ 715,795,000</u>
<b>State Revolving Fund Bonds - Series:</b>			
June 1996, 94R L170820	2017	2.50	\$ 1,668,399
January 1997, 92T L170876	2016	2.50	606,539
July 1996, 92U L170877	2017	2.50	1,356,718
February 1997, 94V L171150	2018	2.50	4,182,885
January 2000, 97AA L170822	2019	2.506	9,375,892
December 2000, 97BB L171151	2020	2.535	2,477,490
July 2002, 97CC L172031	2021	2.535	12,155,520
August 2003, 97DD L171152	2023	2.905	6,538,777
July 2004, 01A L172126	2024	2.57	25,749,204
July 2004, 01B L172127	2024	2.50	29,356,796
July 2006, 01C L172128	2026	2.50	28,544,788
January 2009, 04A L172485	2028	2.50	15,102,693
January 2009, 04B L172488	2028	2.50	17,642,889
March 2007, 04C L172493	2027	2.50	1,585,759
March 2007, 04D L172494	2027	2.50	1,520,704
January 2009, 04E L172495	2028	2.50	5,142,299
March 2007, 04G L172611	2027	2.50	2,470,439
February 2009, 04H L172849	2029	2.50	37,775,054
June 2010, 07A L172625	2030	2.50	31,578,079
June 2010, 07D L172763	2030	2.50	7,202,612
July 2010, 07B L172850	2030	2.50	21,743,034
April 2011, 09H L173800	2031	0.00	533,489
April 2011, 04F L172496	2031	0.00	2,881,649
June 2011, 09B L173064	2031	0.00	5,551,902
June 2011, 09I L174675	2031	1.25	8,346,604
August 2011, 09E L173005	2031	1.25	31,003,729
September 2011, 09C L173063	2031	0.00	1,623,378
September 2011, 07C L172770	2031	0.00	48,333,333
September 2012, 09A L173074	2032	1.25	38,739,028
September 2012, 09F L174557	2032	1.25	52,647,432
July 2013, 09D L174558	2032	2.30	36,770,667
July 2013, 09G L173075	2032	1.25	25,588,498
August 2014, 12A L174710	2034	2.30	6,861,527
August 2014, 12B L174712	2034	2.30	5,876,366
July 2015, 12D L174988	2035	1.93	31,775,570
July 2015, 12E L174709	2035	1.93	5,455,885
July 2015, 12F L174989	2035	1.93	55,004,622
July 2015, 12H L174924	2035	1.93	27,438,824
July 2015, 12J L175172	2035	1.995	2,586,855
July 2015, 12K L174925	2035	1.995	11,886,404
July 2015, 12O L175166	2035	1.995	4,467,497
July 2016, 12C L174621	2036	1.995	10,720,563
July 2016, 12I L175222	2036	2.21	3,434,444
July 2016, 12L L175161	2036	2.21	30,082,449
July 2016, 12N L175164	2036	1.995	2,460,585
July 2016, 14A L173076	2036	2.21	72,514,775
July 2016, 14B L175171	2036	2.21	2,309,590
July 2016, 14J L175219	2036	2.21	1,228,092
SUBTOTAL - State Revolving Fund Bonds:			<u>\$ 789,900,327</u>
<b>TOTAL OUTSTANDING BONDS:</b>			<u>\$ 2,752,945,327</u>
<b>CALCULATION OF ESTIMATED STATUTORY DEBT MARGIN</b>			
<b>Debt Applicable to Debt Limit:</b>			
Outstanding Bonds	\$	2,752,945,327	
Less: Alternate Revenue Bonds Outstanding		(99,080,000)	
Bond Anticipation Note - Principal		86,000,000	
Bond Anticipation Note - Interest		1,000,000	
Capital Lease - Biosolids Facility		41,047,900	
Liabilities of Tax - Financed Funds		12,621,000	\$ 2,794,534,227
<b>Less Applicable Assets:</b>			
Cash and Investments - Bond Redemption & Interest Fund	\$	(110,265,700)	
Interest on Bonds Payable in Next Twelve Months		117,373,672	\$ 7,107,972
<b>NET DEBT APPLICABLE TO LIMIT:</b>			<u>\$ 2,801,642,199</u>
Statutory Debt Limit 5.75% of 2015 Equalized Assessed Valuation (\$130,304,803,798)			\$ 7,492,526,218
Less Net Debt Applicable to Limit			<u>2,801,642,199</u>
<b>ESTIMATED STATUTORY DEBT MARGIN:</b>			<u>\$ 4,690,884,019</u>

**ACCOUNT SUMMARY COMPARISON  
2017 - 2016 ALL FUNDS**

ORGANIZATION OR FUND	Account Appropriation		Increase (Decrease) 2017 - 2016	
	2017	2016*	Dollars	Percent
<b>Board of Commissioners</b>	\$ 4,510,800	\$ 4,407,800	\$ 103,000	2.3
<b>General Administration</b>	18,545,300	16,819,300	1,726,000	10.3
<b>Monitoring &amp; Research</b>	31,030,400	30,523,200	507,200	1.7
<b>Procurement &amp; Materials Management</b>	9,534,000	8,777,400	756,600	8.6
<b>Human Resources</b>	59,032,300	60,816,800	(1,784,500)	(2.9)
<b>Information Technology</b>	17,283,200	17,448,600	(165,400)	(0.9)
<b>Law</b>	8,375,300	7,972,600	402,700	5.1
<b>Finance</b>	3,655,900	3,696,300	(40,400)	(1.1)
<b>Maintenance &amp; Operations:</b>				
<b>General Division</b>	26,598,400	23,111,200	3,487,200	15.1
<b>North Service Area</b>	41,687,300	43,830,100	(2,142,800)	(4.9)
<b>Calumet Service Area</b>	37,207,700	38,039,500	(831,800)	(2.2)
<b>Stickney Service Area</b>	81,012,400	82,745,000	(1,732,600)	(2.1)
<b>TOTAL Maintenance &amp; Operations</b>	<u>\$ 186,505,800</u>	<u>\$ 187,725,800</u>	<u>\$ (1,220,000)</u>	<u>(0.6)</u>
<b>Engineering</b>	28,589,000	28,072,900	516,100	1.8
<b>TOTAL Corporate Fund</b>	<u>\$ 367,062,000</u>	<u>\$ 366,260,700</u>	<u>\$ 801,300</u>	<u>0.2</u>
<b>Construction Fund</b>	33,852,900	36,614,400	(2,761,500)	(7.5)
<b>Capital Improvements Bond Fund</b>	348,037,200	483,764,800	(135,727,600)	(28.1)
<b>TOTAL Capital Budget</b>	<u>\$ 381,890,100</u>	<u>\$ 520,379,200</u>	<u>\$ (138,489,100)</u>	<u>(26.6)</u>
<b>Stormwater Management Fund</b>	44,997,100	40,500,800	4,496,300	11.1
<b>Bond Redemption &amp; Interest Fund</b>	227,761,075	216,047,130	11,713,945	5.4
<b>Retirement Fund</b>	79,505,000	70,772,000	8,733,000	12.3
<b>Reserve Claim Fund</b>	30,617,100	30,175,900	441,200	1.5
<b>GRAND TOTAL</b>	<u><u>\$1,131,832,375</u></u>	<u><u>\$1,244,135,730</u></u>	<u><u>\$ (112,303,355)</u></u>	<u><u>(9.0)</u></u>

\*Adjusted Appropriation

**PERSONNEL SUMMARY COMPARISON**  
**2017 - 2015 ALL FUNDS**

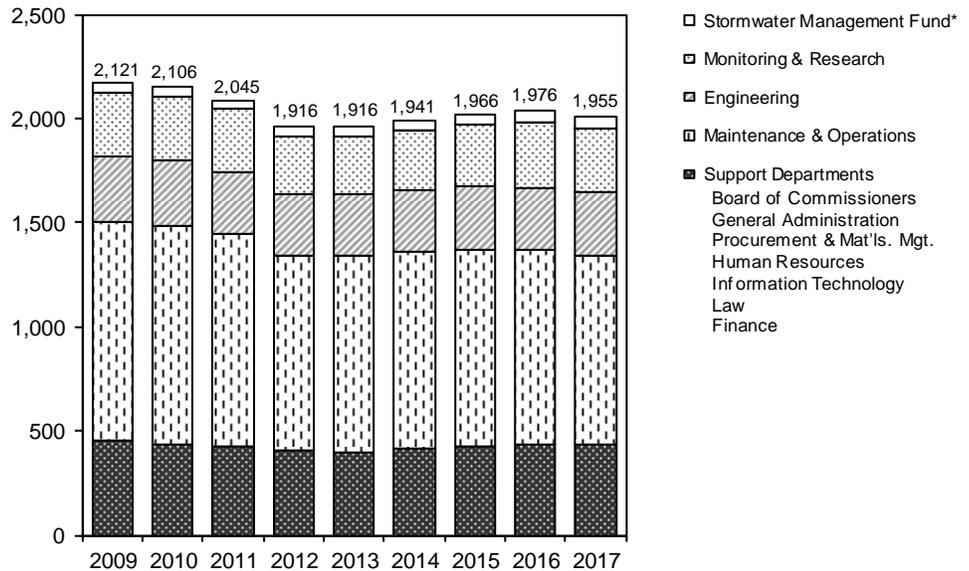
ORGANIZATION OR FUND	Proposed FTEs 2017	Budgeted FTEs 2016	Actual FTEs 2015	Increase (Decrease) 2017 - 2016	
				FTEs	Percent
<b>Board of Commissioners</b>	38	38	37	-	-
<b>General Administration</b>	123	122	118	1	0.8
<b>Monitoring &amp; Research</b>	308	308	296	-	-
<b>Procurement &amp; Materials Management</b>	63	63	63	-	-
<b>Human Resources</b>	71	73	74	(2)	(2.7)
<b>Information Technology</b>	75	76	63	(1)	(1.3)
<b>Law</b>	38	38	37	-	-
<b>Finance</b>	28	28	29	-	-
<b>Maintenance &amp; Operations:</b>					
<b>General Division</b>	115	87	94	28	32.2
<b>North Service Area</b>	241	259	259	(18)	(6.9)
<b>Calumet Service Area</b>	185	196	201	(11)	(5.6)
<b>Stickney Service Area</b>	367	385	398	(18)	(4.7)
<b>TOTAL Maintenance &amp; Operations</b>	<u>908</u>	<u>927</u>	<u>952</u>	<u>(19)</u>	<u>(2.0)</u>
<b>Engineering</b>	246	244	242	2	0.8
<b>TOTAL Corporate Fund</b>	<u>1,898</u>	<u>1,917</u>	<u>1,911</u>	<u>(19)</u>	<u>(1.0)</u>
<b>Construction Fund</b>	-	-	-	-	-
<b>Capital Improvements Bond Fund</b>	-	-	-	-	-
<b>TOTAL Capital Budget</b>	-	-	-	-	-
<b>Stormwater Management Fund</b>	57	59	55	(2)	(3.4)
<b>Bond Redemption &amp; Interest Fund</b>	-	-	-	-	-
<b>Retirement Fund</b>	-	-	-	-	-
<b>Reserve Claim Fund</b>	-	-	-	-	-
<b>GRAND TOTAL</b>	<u><u>1,955</u></u>	<u><u>1,976</u></u>	<u><u>1,966</u></u>	<u><u>(21)</u></u>	<u><u>(1.1)</u></u>

**PERSONAL SERVICE APPROPRIATIONS**

Positions reported in this chart are actual positions through 2015, meaning that at some point during the year the position was filled. In 2015, 16 positions were unfilled for the entire year. In 2014, there were 20 positions that remained vacant for the entire year.

The Maintenance & Operations, Engineering, and Monitoring & Research Departments are referred to as the District’s operating departments. These departments are directly responsible for the daily operations of sewage collection, treatment, disposal, and environmental monitoring activities. The remaining departments are generally termed as support departments. While positions in these departments may be considered indirect or overhead, they are also necessary for technical expertise, statutory compliance, governance, and public accountability.

**Position History (2009-2017)**



\* In 2017, 57 positions for the Maintenance & Operations and Engineering Departments are budgeted in the Stormwater Management Fund, while the operations remain within the departments.

Modest staffing increases in the operating departments beginning in 2008 through 2010 were necessary to adequately staff for the design and implementation of the Master Plans and Stormwater Management initiatives. The staffing reductions in 2011 and 2012 were part of a five-year plan to restructure the organization to ensure future financial viability. The staffing increases in 2014 and 2015 were necessary to address new and continuing initiatives as presented in the Strategic Business Plan.

The exhibit below provides the personal service appropriations for 2016 and 2017, and the actual expenditures for personal services in 2015. The District has introduced a number of initiatives in an effort to control all areas of personal service appropriations, several of which are discussed in the Budget Foreword section of this document.

	2015 Actual Exp.	2016 Adj. Approp.	2017 Budgeted	2016 - 2017 Dollars	Percentage Change
Salaries of Regular Employees*	\$ 175,465,897	\$ 189,025,700	\$ 191,445,600	\$ 2,419,900	1.3%
Compensation Plan Adjustments	7,682,863	7,605,600	7,844,300	238,700	3.1%
Social Security & Medicare Contributions	2,631,404	2,676,100	2,700,200	24,100	0.9%
Employee Claims	4,137,218	8,047,900	8,060,200	12,300	0.2%
Other Employee Personal Services**	1,408,494	1,762,400	2,079,400	317,000	18.0%
Health & Life Insurance Premiums***	44,709,251	48,776,600	47,285,400	(1,491,200)	-3.1%
<b>Total</b>	<b>\$ 236,035,127</b>	<b>\$ 257,894,300</b>	<b>\$ 259,415,100</b>	<b>\$ 1,520,800</b>	<b>0.6%</b>

\* Includes 2017 Salary Adjustments  
 \*\* Includes Tuition, Training, and Non-budgeted Salaries  
 \*\*\* Includes Other Postemployment Benefits Distribution

# **FIVE-YEAR FINANCIAL FORECAST**

## **2017 - 2021**

The District's Five-Year Financial Forecast (FYFF), as defined by generally accepted accounting principles, is an interim financial report. Interim financial reports are designed to provide estimates of future financial operating conditions to policymakers and managers. They reflect no legal obligation of the organization, present or future.

The FYFF is prepared prior to the Executive Director's Budget Recommendations and reflects the best estimates of revenues, fund equity, and appropriation needs available at the time. This forecast is presented to the Executive Director. Subject to his review and approval, it is then included in the Budget.

The FYFF presentation is in the form of a letter from the Budget Officer to the Executive Director, which discusses the assumptions used in making the forecast. It also provides a discussion of the changes and trends in operations, which are expected to occur during the FYFF period. Graphs and tables are provided, detailing the financial projections of all funds.

**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

Mr. David St. Pierre  
Executive Director  
OFFICE

October 11, 2016

**SUBJECT: FIVE-YEAR FINANCIAL FORECAST, 2017 – 2021**

Dear Sir:

I have reviewed the Five-Year Financial Forecast prepared for the fiscal years 2017 – 2021 and offer the following report and summary. Subject to your review and approval, this will be included in the 2017 Budget. These projections are a tool designed to aid the District in planning and controlling its financial position over a longer range than the 2017 Budget itself. They also contribute to making the Budget a comprehensive financial plan of District operations, present, and future.

This forecast is designed to provide the reviewer with a better understanding of how the District’s revenues and expenditures are expected to develop during the next five years. It also summarizes the tax impact of the District’s strategic goals and objectives. As useful as the forecast is in providing a short- and long-term view of the District’s financial position, it should be used with an understanding of the underlying expenditure and revenue assumptions. The report’s value lies in the projected trends rather than the absolute numbers. The current trends require the District to remain diligent in cutting costs and increasing efficiencies.

**OVERVIEW**

The Property Tax Extension Limitation (Tax Cap) law of 1995, Public Act 89-1, remains the primary limiting factor for the District’s long-term financial planning. This law essentially limits increases in property tax levies for our aggregate or operating funds, to an increase of five percent or the change in the national Consumer Price Index (CPI), whichever is less. Revenue sources for the District are limited by statute and are derived primarily from property taxes. Projections of economic growth in Illinois, reflected in revenues from personal property replacement tax collections, investment income, real estate leases, and user charge collections are anticipated to show slow to moderate growth over the projection period as the economy slowly recovers. Large swings in these smaller revenue streams are possible, but unpredictable.

The aggregate levy for 2017 is estimated to increase by 3.2 percent over 2016, and is projected to increase an average of 3.4 percent per year for 2017 through 2021. As noted on the graph on page 61, the 2017 levy is projected to be at the Tax Cap limitation. In planning for future years, it is necessary to plan major expenditures such that appropriations and resulting levies do not exceed the statutory limitations on property tax revenues in any given year. The Cook County Clerk ensures that the District’s levy remains in compliance by adjusting the levy extension, if required. The District has directed the Cook County Clerk to make any such reduction only to the Construction Fund. The Tax Cap may reduce the 2016 aggregate levy to be collected in 2017, depending on the 2016 CPI. It is not anticipated to be a significant reduction.

The Tax Cap law also has an impact on the future funding of the District’s capital program. While the Debt Service levy is not part of the aggregate levy, under Public Act 89-0001, the District’s non-referendum bond authority was restricted to fund only projects initiated prior to October 1, 1991, which generally covered only Tunnel and Reservoir Plan (TARP) projects. However, Public Act 89-0385 provided additional non-referendum authority to the District by authorizing the issuance of “limited bonds.” These “limited bonds” can be issued to the extent that the total debt service requirement of any new debt when combined with existing debt service does not exceed the debt service extension base of \$141.5 million established by the Act. This “limited bond” capacity was expanded for the District by passage of Public Act 90-485 in the 1997 legislative session by excluding debt issued and used for TARP projects from the limiting debt service extension base. In 2009, Public Act 96-0501 was passed which allows for an annual increase in this limiting debt service base by the lesser of five percent or the percentage increase in the CPI beginning with the 2011 levy. The debt service extension base is currently \$159.3 million and estimated to be at \$163.3 million in 2017.

In 2001, the Illinois Legislature amended the Metropolitan Water Reclamation District Act to allow the issuance of debt for up to 30 years (previously 20 years). In 2002, the District’s overall non-referendum authority was extended through December 31, 2016 and in 2010, it was extended again through December 31, 2024. In 2004, the District received authority to issue \$150

**Five-Year Financial Forecast, 2017-2021**

**October 11, 2016**

million (previously \$100) of non-referendum bonds during any budget year. These legislated changes provide resources for financing the capital program for the foreseeable future.

**EXPENDITURES: DEPARTMENTAL GUIDELINES AND METHODOLOGY**

The Budget Office asked each department to project its needs for the years 2017 – 2021. These projections were made before the actual 2017 departmental budget requests were finalized and may not precisely match 2017 budget requests. The projections were made in current dollars, then inflated based on the most recently provided inflation factors from the Illinois Commission on Government Forecasting and Accountability. These were applied to reflect market forecasts for material and service expenditures appropriate to our industry. The Human Resources Department directly projected health and life insurance costs based on current multi-year agreements and industry trends. Electricity was adjusted for rate changes due to industry deregulation, current multi-year agreements, and operating needs.

**REVENUE AND FINANCING ASSUMPTIONS**

Key assumptions made in the projections of revenues and tax rates are:

- Short-term fluctuations in commodities such as lumber and metals should have little impact over the long term. Over the long term, these costs will be viewed as normal cost increases in tandem with an economy that will continue with modest growth trends for the projection period;
- Tax collections will be 96.5 percent of what is levied - allowing for loss in collections, Property Tax Appeals Board (PTAB) decisions, circuit court decisions, and other tax refunds;
- The annual Equalized Assessed Valuation (EAV) projection is based on the 2015 amount as provided by the Cook County Clerk, an estimated 3.0 percent increase in 2016, and a 3.0 percent increase in each year thereafter;
- The estimated annual tax levy increase for the aggregate funds controlled by the Tax Cap is based on projections of available funding, increases in the CPI, estimated at 0.7 percent for 2016 and 2.5 percent for the years 2017 – 2021, and allowable adjustments to EAV for new property at just under 1.0 percent annually;
- The planned sale of capital improvement bonds, assumed to be a 30-year level payment, will occur as follows:

<u>Year</u>	<u>Limited Bonds</u>	<u>Unlimited Bonds</u>	<u>Unlimited Stormwater Bonds</u>
2017			\$50 million
2018			\$50 million
2019			\$50 million
2020			\$50 million
2021	\$150 million	\$50 million	\$50 million

- Bond Redemption & Interest Fund levy estimates are based on a five percent interest rate on bond issues;
- The District is expected to receive between \$180 to \$200 million annually in State Revolving Fund loans;
- Operating fund balances will be no less than 12 percent of appropriations.

**APPROPRIATION FORECASTS**

Total District appropriations are expected to range from \$1,131.8 to \$1,032.2 million for the period 2017 – 2021, and are summarized in the exhibit on page 61, and detailed in Table I on page 62. The year to year variation is largely due to the schedule of awards for major capital projects. Changes and explanations within the various District funds are as follows:

Corporate Fund

The Corporate Fund, the District's general fund, includes all appropriations for day-to-day operations. Appropriations for the fund are expected to increase an average of 1.65 percent annually from 2017 – 2021. This relative stability of appropriations is attributed to the Tax Cap limits, as well as planned control of growth in operations and stability in staffing levels. Annual average increases greater than the general price index are anticipated for health care, contracted solids disposal, chemicals, repairs, and energy.

The District’s long-term benefits strategy continues to focus on rising health-care costs and the impact of the Patient Protection and Affordable Care Act. In 2015, the District made several changes to the medical plan design to help contain the cost of medical claims and to mitigate exposure to the excise or “Cadillac” tax scheduled for implementation in 2021. A retiree benefits strategy is also being developed to manage the cost of retiree health benefits going forward. In addition, the District continues to fund the Other Postemployment Benefits Trust to address its future healthcare liability with an anticipated appropriation of \$5 million annually.

A fund balance of 12 to 15 percent of appropriations, or within the \$44 to \$55 million range, is viewed by District management and the financial markets as necessary to maintain financial stability and sustain us through economic uncertainties. The beginning

**Five-Year Financial Forecast, 2017-2021**

**October 11, 2016**

2017 fund balance is projected to be higher, reflecting substantial restructuring over the past few years, including 125 positions dropped in 2012, an increase in in-house maintenance, and other operating efficiencies. A portion of the projected net assets will remain unappropriated to protect the downside of possible economic swings and provide for a fiscally responsible fund balance.

With the planned construction of new facilities that will require significant amounts of new energy, aggressive conservation efforts and alternative energy generation have been pursued at existing facilities to minimize the cost impact. In this forecast, energy costs are expected to increase in 2017 through 2019 and be balanced against reduced consumption as we realize the benefits of these modernization projects in later years. In November 2014, the District conducted a reverse auction to procure electricity for 2016 and 2017, at a 4.4 percent price increase over the 2015 rate. In 2016, the District extended the electricity supply contract for 2018 at a rate that is 7.2% lower than 2016-2017 rate. To further control energy costs, the District has entered into an agreement with CPOWER to curtail electrical energy use during periods of high demand, from July 1, 2016 through June 30, 2017. The District anticipates a cost savings of \$1.45 million. The District has entered into an agreement with Blue Delta Energy to sell Renewable Energy Credits (RECs) on the open market in Illinois, Maryland, and the District of Columbia. Estimated revenue is approximately \$300,000 annually. Finally, the District has performed an Energy Grade audit and entered into an agreement with PBC and NORESCO to replace lighting, controls and steam blanket insulation at the Calumet Water Reclamation Plant.

Overall, biosolids disposal costs are competitive due to favorable local markets. The District continues to seek alternative markets for biosolids that do not compete with current disposal outlets, thus avoiding the potential for volatile costs associated with a single outlet. Beginning in 2014 and continuing into 2015, the District evaluated turnkey composting systems for biosolids processing by conducting on-site, pilot-scale tests. In addition, the District researched what type of equipment would be needed for open windrow composting. Based on the positive findings that show the use of such equipment will reduce both the carbon footprint and processing costs, the District procured windrow turners for composting. In 2016, the District utilized two newly purchased windrow turners to mix wood chips with biosolids and then composting the mix into an organic material for public distribution. The composted biosolids are odor free and meet USEPA’s Exceptional Quality Designation, which is a term given to biosolids that meet Class A pathogen reduction requirement and the most stringent metals limits and vector attraction standards. Composted biosolids are used as a soil conditioner in landscaping applications by blending with topsoil or as amendment for establishing turf grass, sod, trees, nurseries or plant beds. With composting, product quality (odor and appearance) will also improve due to the addition of wood chips received through an intergovernmental agreement with the City of Chicago, which has been delivering wood chips since 2013. In 2016, about 40,000 cubic yards of wood chips were utilized in producing about 13,000 tons of composted biosolids. Projected composted biosolids production goals are for 50,000 tons in 2017 and 100,000 tons in 2018. It is also expected that composting will generate a revenue stream for the District.

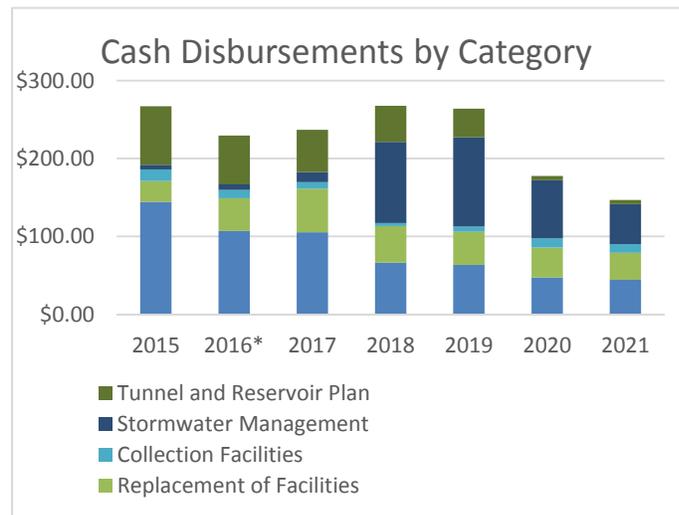
Capital Improvements Bond and Construction Funds

The Capital Improvements Bond Fund (CIBF) accounts for all resources, principally bond proceeds and construction grants, used for the construction of capital facilities. Total bond sales to support the CIBF are projected at \$200 million in 2021. Stormwater Alternative Revenue Bonds are expected to be sold at \$50 million annually from 2017 to 2021. These bond sales will provide a sufficient level of available funds to continue the District’s Capital Improvement Program, including the construction of the Tunnel and Reservoir/CUP Plan (Chicago Underflow Plan). By law, the District may separate the funding of its projects into “Limited” and “Unlimited Bonds”. This funding will be used in conjunction with federal appropriations from the Army Corps of Engineers to support a major portion of the McCook reservoir projects.

The District has agreements with the Army Corps of Engineers to share the funding costs of the CUP reservoirs. The District also had language inserted into the Water Resources Development Act calling for reimbursement of funds for these projects. Due to the current federal fiscal climate, reimbursements are not expected in the near future and are not included in this projection.

The Construction Fund is used to finance modernization and rehabilitation projects and is funded primarily through annual property tax levies. Appropriations for this fund lapse at year-end and uncompleted projects must be reappropriated.

Initial estimates and schedules have been analyzed and compared to bond issuance authority and funding availability. The Cash balance in the CIBF will accommodate the proposed projects through 2021. Effective January 1, 2011, the District’s non-



**Five-Year Financial Forecast, 2017-2021****October 11, 2016**

referendum bonding authority was extended through December 31, 2024. Extension of the authority was necessary for additional projects, including nutrient removal and effluent disinfection.

In 2017, the Process Facility Capital Planning and Technology Evaluation Group will continue to update the Master Plans and prioritize and size future capital projects ensuring the most effective use of the CIBF.

**Retirement, Debt Service, and Reserve Claim Funds**

The appropriation for the Retirement Fund will increase 12.3 percent from 2016 to 2017 and 12.7 percent from 2017 to 2018, and then is expected to level off from 2019-2021 due to the full implementation of legislative changes aimed at eliminating the unfunded pension liabilities. Due to a change in legislation, beginning in 2013, the tax levy is based on the fund's actuarially determined contribution requirement, but shall not exceed an amount equal to employee contributions of two years prior, multiplied by 4.19. The previous multiplier was 2.19, and employee contributions for employees who were fund members before January 1, 2011 increased one percent per year from nine percent in 2012 to 12 percent in 2015.

Debt Service Fund appropriations will increase an average of 1.18 percent annually over the period. Current debt service schedules, additional debt service requirements for new revolving fund loans, and anticipated bond sales in the years 2017 through 2021 will increase due to increased capital expenditures related to major plant expansion and system improvements, a disinfection project, TARP reservoir projects, and Stormwater Management Program projects. In 2016, the District issued \$100 million of General Obligation Capital Improvement Bonds and \$4 million in Qualified Energy Conservation Bonds, along with \$322 million in General Obligation Refunding Bonds that take advantage of low interest rates. The bonds provide partial financing for the ongoing new construction and rehabilitation program of the District and will mature over the years 2017 – 2045. The District's additional margin for "limited" bonds under the debt service extension base is roughly \$18.7 million. As stated earlier, recent legislative changes allow for an annual inflationary increase to the debt service tax extension limit beginning with the 2009 levy. The debt service extension base capacity is at approximately \$159.3 million.

The appropriation for the Reserve Claim Fund is expected to increase an average of 4.8 percent annually and is expected to continue in this manner. The Reserve Claim Fund is the District's self-insurance fund, and the annual appropriation equals all available resources in the fund. The projected annual increases, which are based on historical trends, will continue moving towards the fund's statutory limit, as established by the Board of Commissioners' policy. Expenditures related to Workers' Compensation claims are low and stable due to an active safety education and enforcement program. In 2015, the District purchased insurance coverage for roughly \$10.5 billion in assets.

**TAX LEVY FORECASTS**

Overall tax levies are projected to increase an average rate of 4.1 percent annually over the five-year period. Efforts will be undertaken to adjust annual variability consistent with meeting our objectives. The District has been very successful in managing its financial resources to limit any increases in the overall tax levy, excluding Stormwater Management, to five percent with tax abatements since before the imposition of the Tax Cap. Projections of tax levies and revenue sources for the various District funds are as follows:

**Corporate Fund**

Tax levy projections for the Corporate Fund are expected to increase an average of 3.4 percent annually from 2017 – 2021. This fund provides for day-to-day operations and has diverse sources of revenue. Taxes account for 63.8 percent of Corporate Fund revenue. Other significant funding sources include industrial user charge fees, investment income, and land rentals. The funding from the user charge system, which by design recovers costs attributable to industrial users, is expected to continue to slowly decline over the next 5 years from \$47 million to \$43 million. Local governments, and chemical and food processing users pay the majority of user charge fees.

**Construction Fund**

The tax levy for the Construction Fund is \$17.0 million in 2017. Beginning in 2012, pay-as-you-go capital projects related to equipment replacement were moved from the Corporate and Capital Improvements Bond Funds to the Construction Fund. It is anticipated appropriations will range from \$17.0 million to \$25.8 million per year from 2017 – 2021.

**Stormwater Management Fund**

The Stormwater Management Fund levy is projected to increase as the District continues to address local flooding issues from \$40.9 million in 2017 to \$74.4 million in 2021. Regional stormwater management projects are being vetted for funding in 2017 and the following years.

**Retirement Fund**

The average increase projected for 2017 – 2021 is 0.7 percent for the Retirement Fund levy. In 2012, the Governor signed modifications to the District's pension plan into law. The provisions of Public Act 97-0894 are described in detail on page 529.

**Debt Service Fund**

The existing tax levies for the District's Debt Service Fund are based on six refunding bonds, 10 capital improvement bonds, and 56 State Revolving Fund (SRF) bonds. Additional projected capital improvement and SRF bond sales will be used to finance TARP and other capital projects. Debt service funds account for annual property tax levies and certain other revenues,

**Five-Year Financial Forecast, 2017-2021****October 11, 2016**

primarily investment income, that is used to finance the payment of interest and principal on general obligation bond issues. It is District policy to use excess investment income from bond issues to abate portions of the levy. The projected debt for the District during 2017 – 2021 appears on page 65. The District's outstanding bonds and ability to issue additional bonds are presented on pages 525 – 528.

**Reserve Claim and Working Cash Funds**

The tax levy for the Reserve Claim Fund is projected to range from \$5.9 million to \$6.3 million from 2017 – 2021. There is no levy planned for the working cash funds for this period. The District is authorized to levy a half-cent annually against taxable property for the Reserve Claim, Corporate, and Construction Working Cash funds. The Stormwater Working Cash Fund has no debt or tax levy authority. The increase projected for the Reserve Claim Fund levy is based on slow growth of EAV. The District maintains insurance for catastrophic coverage.

The District's Board of Commissioners may, by a two-thirds vote of all its members, transfer fund balances among its working cash funds. The Corporate, Stormwater, and Construction Working Cash Funds will remain sufficiently funded by transfers among the working cash funds, themselves.

**TAX RATE FORECASTS**

Forecasts of property tax rates are dependent on projected EAV. The estimated tax rates are calculated using the projected levy and EAV applicable for a particular tax year. Annual tax rate limits exist for the District's Corporate, Construction, Reserve Claim, and Working Cash Funds. The District's Corporate and Construction Funds annual tax rate limits are 41 and 10 cents, respectively. Adequate margins exist in both the Corporate and Construction Funds to extend taxes for District operations. A half-cent annual levy is allowed for the Reserve Claim, Corporate, and Construction Working Cash Funds. The Stormwater Management Fund can levy up to five cents and is not limited by the Tax Cap.

The rates are expected to increase primarily due to increases for stormwater management and debt service. Public Act 93-0715 limits the growth of residential property EAV to seven percent annually with a maximum individual property exemption of \$20,000. This law had only a marginal impact on the revenue for funds levying their maximum rate, e.g., the Reserve Claim Fund. The seven percent limit on residential EAV increases was effective 2004 through 2006. In 2007, Public Act 95-0644 renewed the seven percent Expanded Homeowner's Exemption for an additional assessment period with new maximum exemption amounts.

**SUPPORTING EXHIBITS**

The data presented to illustrate the projected financial status of the District is divided into six segments: Summary of All Funds, the Corporate Fund, Capital Improvements Funds, Debt Service, Program Distribution within Fund, and the Combined GAAP-Basis Balance Sheets for the Corporate Fund Group.

The graphs on page 61, and the tables on page 62, summarize the projected appropriations, property tax rates, and tax levies for all funds for the years 2017 – 2021. Historical comparisons can be made by reviewing the actual appropriations, tax rates, and levies for the years 2008 – 2017 on page 41.

Table II, on page 63 provides detailed revenue and tax rate projections, as well as appropriations by department and major categories for the Corporate Fund for 2017 – 2021. Corporate Fund appropriations and expenditures for the years 2008 – 2017 can be found on page 103.

Projections for revenues, tax rates, and appropriations for the Construction Fund for the years 2017 – 2021, appear on page 64, and projected appropriable resources and appropriations for the Capital Improvements Bond Fund appear on page 65. The table on the bottom of page 63 and the exhibits on page 66 present appropriation projections by major programs. A summary of actual and projected expenditures for both funds, for the years 2012 – 2021, can be found in the Capital Improvement Program Section, on page 345.

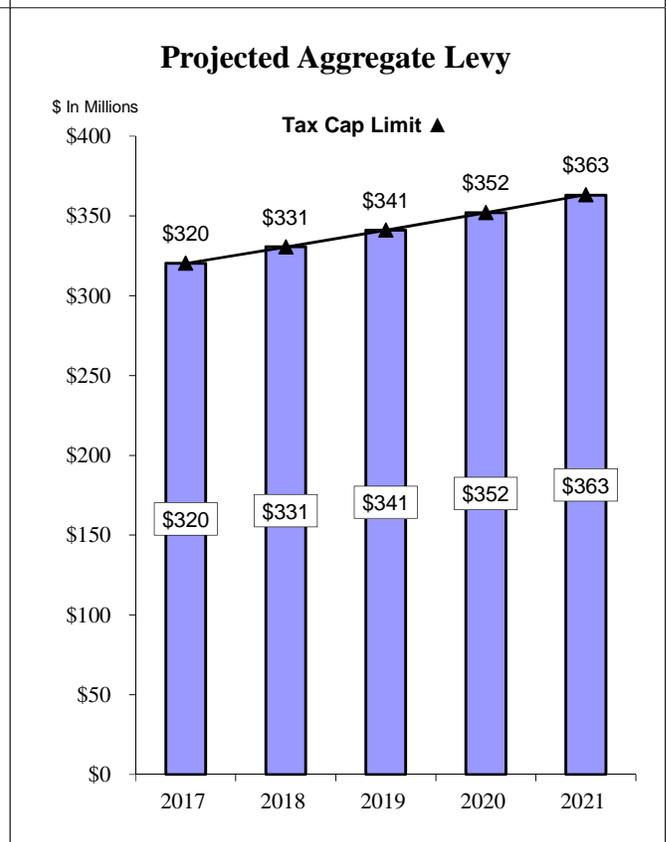
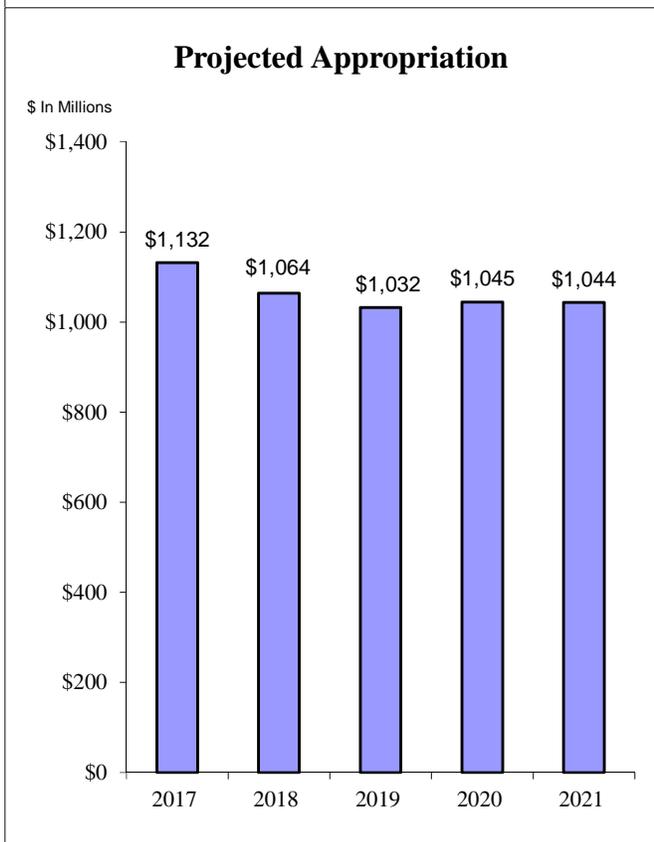
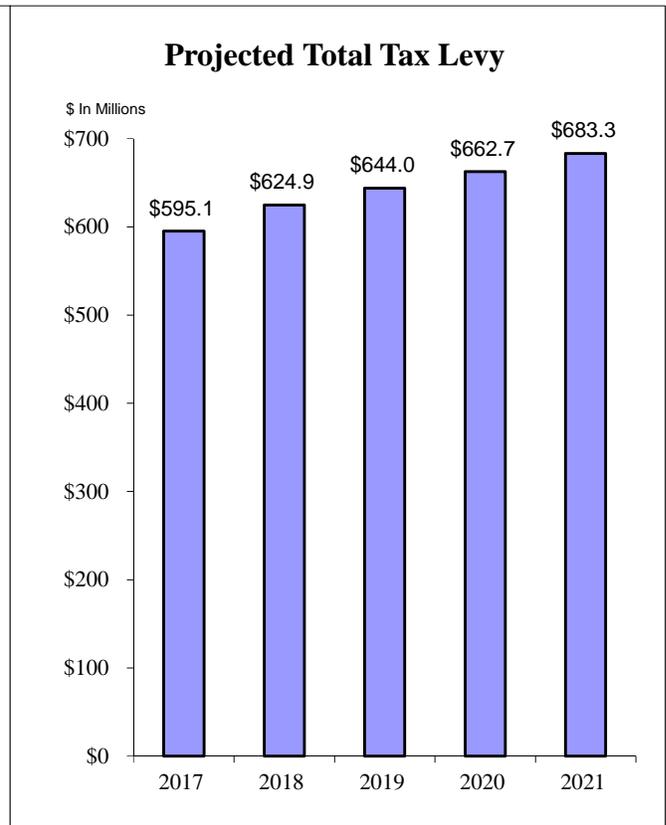
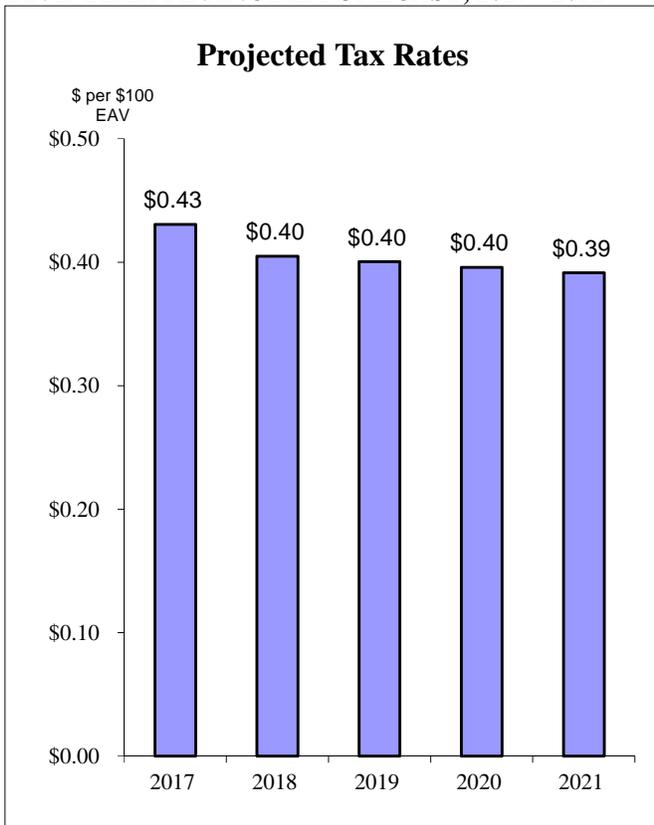
The balance sheet statement on page 67 is prepared on a GAAP-basis of accounting and is included to show the effect on the Corporate Fund Group, which is comprised of the Corporate, Corporate Working Cash, and Reserve Claim Funds. One of the most important factors in evaluating the financial position of a government is the balance sheet of the Corporate Fund Group, which relates total assets, liabilities, and fund equity. The strength of a government's financial position is shown in its total fund equity and unreserved, undesignated fund balance. The total fund equity projection for 2017 is \$298.4 million. This total fund equity projection includes future claims in the Reserve Claim Fund. The projection for the years 2017 – 2021 shows an average of \$308.5 million.

Very truly yours,



Shellie A. Riedle  
Budget Officer

**FIVE-YEAR FINANCIAL FORECAST, 2017 - 2021**



**FIVE-YEAR FINANCIAL FORECAST, 2017 - 2021**

**TABLE I**

<b>ALL FUNDS</b>					
<b>Projected Tax Rates</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Corporate	\$0.1620	\$0.1600	\$0.1611	\$0.1623	\$0.1645
Construction	0.0123	0.0157	0.0164	0.0171	0.0163
Stormwater Management	0.0296	-	-	-	-
Debt Service	0.1692	0.1727	0.1677	0.1628	0.1580
Retirement	0.0531	0.0521	0.0509	0.0496	0.0485
Reserve Claim	0.0043	0.0044	0.0043	0.0042	0.0040
<b>Total (\$ in cents)</b>	<b>\$0.4305</b>	<b>\$0.4049</b>	<b>\$0.4003</b>	<b>\$0.3958</b>	<b>\$0.3914</b>
<b>Percentage Change</b>		<b>-5.94%</b>	<b>-1.14%</b>	<b>(1.11%)</b>	<b>-1.13%</b>

Projected tax rate per \$100 Equalized Assessed Valuation (EAV). Assumes 2016 EAV of \$134.213 billion increasing 3.0% in 2017 and 3.0% each year thereafter.

<b>Projected Tax Levies</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Corporate	\$223,946	\$227,809	\$236,201	\$245,131	\$256,000
Construction	17,000	22,393	24,042	25,777	25,327
Stormwater Management	40,856	48,398	56,965	64,713	74,364
Debt Service-Existing	233,944	233,957	233,957	233,957	233,957
Debt Service-Proposed	-	11,928	11,928	11,928	11,928
Retirement	73,438	74,241	74,642	74,862	75,414
Reserve Claim	5,900	6,200	6,300	6,300	6,300
<b>Total Levy (\$ in thousands)</b>	<b>\$595,084</b>	<b>\$624,925</b>	<b>\$644,035</b>	<b>\$662,668</b>	<b>\$683,290</b>
<b>Percentage Change</b>		<b>5.01%</b>	<b>3.06%</b>	<b>2.89%</b>	<b>3.11%</b>
<b>Aggregate Levy (\$ in thousands)</b>	<b>\$320,284</b>	<b>\$330,642</b>	<b>\$341,185</b>	<b>\$352,070</b>	<b>\$363,042</b>
<b>Percentage Change</b>		<b>3.23%</b>	<b>3.19%</b>	<b>3.19%</b>	<b>3.12%</b>

<b>Projected Annual Appropriations</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Corporate	\$367,062	\$376,023	\$381,285	\$388,368	\$394,962
Capital Improvements Bond	348,037	218,129	204,243	183,819	176,599
Construction	33,853	63,623	26,140	27,738	26,925
Stormwater Management	44,997	51,303	60,193	68,572	78,718
Debt Service-Existing	227,761	224,293	219,445	207,236	205,440
Debt Service-Proposed	-	7,614	15,653	41,933	32,623
Retirement	79,505	89,604	90,583	91,073	91,341
Reserve Claim	30,617	33,600	34,700	35,800	36,900
<b>Total Appropriation (\$ in thousands)</b>	<b>\$1,131,832</b>	<b>\$1,064,190</b>	<b>\$1,032,242</b>	<b>\$1,044,540</b>	<b>\$1,043,508</b>

<b>Projected Positions</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Corporate	1,898	1,896	1,895	1,894	1,892
Stormwater Management	57	56	56	56	56
<b>Total Positions</b>	<b>1,955</b>	<b>1,952</b>	<b>1,951</b>	<b>1,950</b>	<b>1,948</b>

Note: Totals are rounded.

**FIVE-YEAR FINANCIAL FORECAST, 2017 - 2021**

**TABLE II**

<b>CORPORATE FUND</b>						<b>% average annual change</b>
<b>Five-Year Revenue and Tax Rate Projections</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2017 - 2021</b>
Property Taxes	\$216,108	\$219,835	\$227,934	\$236,552	\$247,040	3.41%
Personal Property Replacement Tax	18,164	19,084	18,982	18,926	18,785	0.87%
User Charge	47,000	46,000	45,000	44,000	43,000	(2.20%)
Investment Income	600	1,700	2,200	2,300	2,300	54.32%
Land Rentals	19,000	19,500	20,000	20,500	21,000	2.53%
Sewer Permits	900	945	992	1,042	1,094	5.00%
Miscellaneous	12,521	13,147	13,607	14,083	14,576	3.88%
Net Assets Appropriable	135,931	132,915	116,586	104,051	93,864	(8.76%)
Net Assets Available for Future Use	(83,162)	(77,103)	(64,016)	(53,086)	(46,698)	(13.34%)
<b>Total Appropriable Resources (\$ in thousands)</b>	<b>\$367,062</b>	<b>\$376,023</b>	<b>\$381,285</b>	<b>\$388,368</b>	<b>\$394,962</b>	<b>1.85%</b>
<b>Projected Equalized Assessed Valuation (EAV)</b> (Based on 2015 EAV, assumes 3.0% increase for 2016 and then 3.0% annually)	\$138.240 billion	\$142.388 billion	\$146.659 billion	\$151.059 billion	\$155.591 billion	
Projected Tax Rate Cents per \$100 EAV	16.2¢	16.0¢	16.1¢	16.2¢	16.5¢	
Gross Levy - assumes 3.5% uncollectible.	\$223,946	\$227,809	\$236,201	\$245,131	\$256,000	
<b>Projected Appropriations by Major Categories</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2017 - 2021</b>
Employee Cost - Salaries	\$198,179	\$202,142	\$204,164	\$206,205	\$208,267	1.25%
Employee Cost - Health Care	41,705	46,686	49,958	54,836	59,007	9.08%
Other Postemployment Benefits Trust	5,000	5,000	5,000	5,000	5,000	0.00%
Professional Services	5,854	5,913	5,972	6,031	6,092	1.00%
Energy Cost	39,966	40,365	39,558	38,767	38,864	(0.69%)
Chemicals	13,734	13,717	13,752	13,759	13,766	0.06%
Materials & Supplies	10,985	11,070	11,181	11,293	11,405	0.94%
Solids Disposal	11,033	11,019	10,798	10,582	10,371	(1.53%)
Contracted Solids Disposal	3,204	3,220	3,236	3,253	3,269	0.50%
Computer Systems & Telecommunications	8,378	8,803	9,540	9,963	10,240	5.17%
Repairs to Structures & Equipment	10,736	10,002	9,903	9,772	9,538	(2.89%)
Contractual Services	16,753	16,408	16,440	17,017	17,142	0.59%
Machinery & Equipment	645	718	753	791	831	6.56%
Real Estate Taxes	890	960	1,030	1,100	1,170	7.08%
<b>Total (\$ in thousands)</b>	<b>\$367,062</b>	<b>\$376,023</b>	<b>\$381,285</b>	<b>\$388,368</b>	<b>\$394,962</b>	<b>1.85%</b>
<b>Projected Appropriations by Department</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2017 - 2021</b>
Board of Commissioners	\$4,511	\$4,575	\$4,619	\$4,611	\$4,601	0.50%
General Administration	18,545	18,158	18,190	18,284	18,246	(0.40%)
Monitoring & Research	31,030	31,571	31,560	31,544	31,494	0.37%
Procurement & Materials Management	9,534	9,940	9,644	9,702	9,655	0.35%
Human Resources	59,032	63,192	66,164	72,369	75,698	6.43%
Information Technology	17,283	17,712	18,494	18,948	19,253	2.74%
Law	8,375	8,148	8,246	8,337	8,422	0.15%
Finance	3,656	3,748	3,712	3,748	3,827	1.16%
Engineering	28,589	29,215	29,459	29,934	30,663	1.77%
Maintenance & Operations	186,506	189,764	191,197	190,890	193,103	0.88%
<b>Total (\$ in thousands)</b>	<b>\$367,062</b>	<b>\$376,023</b>	<b>\$381,285</b>	<b>\$388,368</b>	<b>\$394,962</b>	<b>1.85%</b>
<b>Projected Appropriation Distribution by Program</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2017 - 2021</b>
1000 Collection	56,052	55,210	55,650	56,235	56,857	0.36%
2000 Treatment	78,088	80,110	80,125	80,340	80,879	0.89%
3000 Solids Processing	43,742	43,581	43,801	44,530	44,595	0.49%
4000 Flood & Pollution Control	39,232	40,186	40,224	40,344	40,493	0.80%
5000 Solids Disposal	21,625	24,350	25,231	24,823	25,110	3.94%
7000 General Support	128,323	132,587	136,254	142,096	147,028	3.46%
<b>Total (\$ in thousands)</b>	<b>\$367,062</b>	<b>\$376,023</b>	<b>\$381,285</b>	<b>\$388,368</b>	<b>\$394,962</b>	<b>1.85%</b>

Note: Totals are rounded.

**FIVE-YEAR FINANCIAL FORECAST, 2017 - 2021**

**TABLE III**

<b>CONSTRUCTION FUND</b>					
<b>Five-Year Revenue and Tax Rate Projections</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Property Taxes	\$16,405	\$21,609	\$23,201	\$24,874	\$24,441
Personal Property Replacement Tax	-	-	-	-	-
Equity Transfer	7,000	-	-	-	-
Investment Income & Miscellaneous Revenue	845	200	250	250	265
Net Assets Appropriable	9,603	5,078	2,689	2,614	2,219
<b>Total Revenue &amp; Appropriable Resources (\$ in thousands)</b>	<b>\$33,853</b>	<b>\$26,887</b>	<b>\$26,140</b>	<b>\$27,738</b>	<b>\$26,925</b>
Projected Equalized Assessed Valuation (EAV) (Based on 2015 EAV, assumes 3.0% increase for 2016 and then 3.0% annually thereafter)	\$138.240 billion	\$142.388 billion	\$146.659 billion	\$151.059 billion	\$155.591 billion
Projected Tax Rate Cents per \$100 of EAV	1.2¢	1.6¢	1.6¢	1.7¢	1.6¢
Gross Levy - assumes 3.5% uncollectible rate.	\$17,000	\$22,393	\$24,042	\$25,777	\$25,327
<b>Projected Appropriations</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Capital Projects	\$27,053	\$20,946	\$19,329	\$19,583	\$17,533
Professional Services	\$5,388	\$4,014	\$4,820	\$5,850	\$6,300
Other Charges	1,412	1,928	1,991	2,305	3,092
<b>Total (\$ in thousands)</b>	<b>\$33,853</b>	<b>\$26,887</b>	<b>\$26,140</b>	<b>\$27,738</b>	<b>\$26,925</b>
<b>Projected Appropriation Distribution by Program</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
1000 Collection	\$3,753	\$39,966	\$4,450	\$5,262	\$5,428
2000 Treatment	16,883	12,539	10,298	11,087	10,061
3000 Solids Processing	1,545	2,533	3,250	3,483	3,483
4000 Flood & Pollution Control	7,882	5,010	3,655	3,375	3,375
5000 Solids Disposal	\$650	\$475	\$499	\$524	\$550
7000 General Support	3,140	3,100	3,988	4,008	4,028
<b>Total (\$ in thousands)</b>	<b>\$33,853</b>	<b>\$63,623</b>	<b>\$26,140</b>	<b>\$27,738</b>	<b>\$26,925</b>
<b>STORMWATER MANAGEMENT FUND</b>					
<b>Five-Year Revenue and Tax Rate Projections</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Property Taxes	\$39,426	\$46,704	\$54,971	\$62,448	\$71,761
Investment Income & Miscellaneous Revenue	-	100	100	100	100
Net Assets Appropriable	5,571	4,500	5,121	6,024	6,857
<b>Total Revenue &amp; Appropriable Resources (\$ in thousands)</b>	<b>\$44,997</b>	<b>\$51,303</b>	<b>\$60,193</b>	<b>\$68,572</b>	<b>\$78,718</b>
Projected EAV (Based on 2015 EAV, assumes 3.0% increase for 2016 and then 3.0% annually)	\$138.240 billion	\$142.388 billion	\$146.659 billion	\$151.059 billion	\$155.591 billion
Projected Tax Rate Cents per \$100 of EAV	3.0¢	3.4¢	3.9¢	4.3¢	4.8¢
Gross Levy - assumes 3.5% uncollectible rate.	\$40,856	\$48,398	\$56,965	\$64,713	\$74,364
<b>Projected Appropriations</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Employee Cost - Salaries	\$5,951	\$6,070	\$6,131	\$6,192	\$6,254
Employee Cost - Health Care	580	609	640	672	705
Contractual Services	9,701	8,181	13,376	15,620	13,925
Capital Projects	5,439	10,425	13,328	20,534	24,654
Other Charges	17,557	17,231	14,884	12,123	14,558
Equity Transfer (Debt Service for Alternative Revenue Bonds)	5,769	8,787	11,834	13,431	18,622
<b>Total (\$ in thousands)</b>	<b>\$44,997</b>	<b>\$51,303</b>	<b>\$60,193</b>	<b>\$68,572</b>	<b>\$78,718</b>
<b>Projection Appropriation Distribution by Program</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
4000 Flood & Pollution Control					
<b>Total (\$ in thousands)</b>	<b>\$44,997</b>	<b>\$51,303</b>	<b>\$60,193</b>	<b>\$68,572</b>	<b>\$78,718</b>

Note: Totals are rounded.

**FIVE-YEAR FINANCIAL FORECAST, 2017 - 2021**

**TABLE IV**

<b>CAPITAL IMPROVEMENTS BOND FUND*</b>					
<b>Appropriable Resources (Cash)</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Bond Sales - Limited	\$ -	\$ -	\$ -	\$ -	\$150,000
Bond Sales - Unlimited	-	-	-	-	50,000
Bond Sales - Unlimited Stormwater Management	50,000	50,000	50,000	50,000	50,000
State Revolving Loan Fund Receipts	180,000	200,000	200,000	200,000	200,000
Investment Income & Grant Revenue	14,135	13,935	14,335	15,200	15,700
Beginning Cash	308,538	315,903	312,248	312,703	400,273
<b>Total Assets Appropriable (\$ in thousands)</b>	<b>\$552,673</b>	<b>\$579,838</b>	<b>\$576,583</b>	<b>\$577,903</b>	<b>\$865,973</b>
Expenditures	\$236,770	\$267,590	\$263,880	\$177,630	\$146,710
<b>Ending Cash (\$ in thousands)</b>	<b>\$315,903</b>	<b>\$312,248</b>	<b>\$312,703</b>	<b>\$400,273</b>	<b>\$719,263</b>
<b>2017 and 3.0% each year thereafter.</b>					
Professional Consulting Services	\$14,442	\$8,950	\$8,950	\$8,700	\$8,784
Capital Projects	323,754	165,082	190,693	170,406	162,102
Other Charges	9,841	4,381	4,600	4,713	5,714
<b>Total (\$ in thousands)</b>	<b>\$348,037</b>	<b>\$178,413</b>	<b>\$204,243</b>	<b>\$183,819</b>	<b>\$176,599</b>
<b>Projected Appropriation Distribution by Program</b>					
1000 Collection	\$9,695	\$49,520	\$33,304	\$35,500	\$24,000
2000 Treatment	22,000	18,950	68,922	34,700	32,071
3000 Solids Processing	39,325	10,100	11,100	10,698	31,909
4000 Flood & Pollution Control	270,126	98,593	89,667	101,671	87,370
5000 Solids Disposal	4,675	1,000	1,000	1,000	1,000
7000 General Support	2,216	39,966	250	250	250
<b>Total (\$ in thousands)</b>	<b>\$348,037</b>	<b>\$218,129</b>	<b>\$204,243</b>	<b>\$183,819</b>	<b>\$176,599</b>

\*The Capital Improvements Bond Fund is appropriated on an obligation basis. Expenditures are expected to be disbursed over the term of the projects funded

<b>DEBT SERVICE FUNDS</b>					
<b>Projected Debt</b>					
<b>EXISTING DEBT</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
January 1 Debt	\$2,752,945	\$2,872,558	\$3,015,685	\$3,150,712	\$3,277,352
Annual Current Debt Retirement	(110,387)	(103,363)	(103,437)	(102,264)	(93,705)
<b>Net Debt</b>	<b>\$2,642,558</b>	<b>\$2,769,195</b>	<b>\$2,912,249</b>	<b>\$3,048,448</b>	<b>\$3,183,647</b>
<b>PROPOSED FUTURE DEBT</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Annual Sale of Bonds:					
Capital Bonds - Limited	\$ -	\$ -	\$ -	\$ -	\$150,000
Capital Bonds - Unlimited	-	-	-	-	50,000
Alternate Bonds - Unlimited Stormwater	50,000	50,000	50,000	50,000	50,000
State Revolving Fund Bond Issues	180,000	200,000	200,000	200,000	200,000
Future Debt Retirement	-	(3,510)	(11,537)	(21,097)	(30,383)
<b>Proposed New Debt (\$ in thousands)</b>	<b>\$230,000</b>	<b>\$246,490</b>	<b>\$238,463</b>	<b>\$228,903</b>	<b>\$419,617</b>
<b>PROJECTED DEBT OUTSTANDING</b>	<b>\$2,872,558</b>	<b>\$3,015,685</b>	<b>\$3,150,712</b>	<b>\$3,277,352</b>	<b>\$3,603,264</b>
Gross Levy for Existing Debt	\$233,887	\$233,901	\$233,901	\$233,901	\$233,901
Gross Levy for Future Debt	-	11,928	11,928	11,928	11,928
<b>Total Debt Levy</b>	<b>\$233,944</b>	<b>\$245,885</b>	<b>\$245,885</b>	<b>\$245,885</b>	<b>\$245,885</b>
Tax Rate (cents)	16.9¢	17.3¢	16.8¢	16.3¢	15.8¢
Forecasted Stormwater Alternative Revenue Abatement*	(\$5,980)	(\$11,525)	(\$11,525)	(\$17,069)	(\$23,777)
<b>Projected Levy After Abatement</b>	<b>\$227,964</b>	<b>\$234,360</b>	<b>\$234,360</b>	<b>\$228,816</b>	<b>\$222,108</b>
Projected Equalized Assessed Valuation (EAV)	\$138.240	\$142.388	\$146.659	\$151.059	\$155.591
Equity Transfer (Debt Service for Altern. Revenue Bonds)	billion	billion	billion	billion	billion

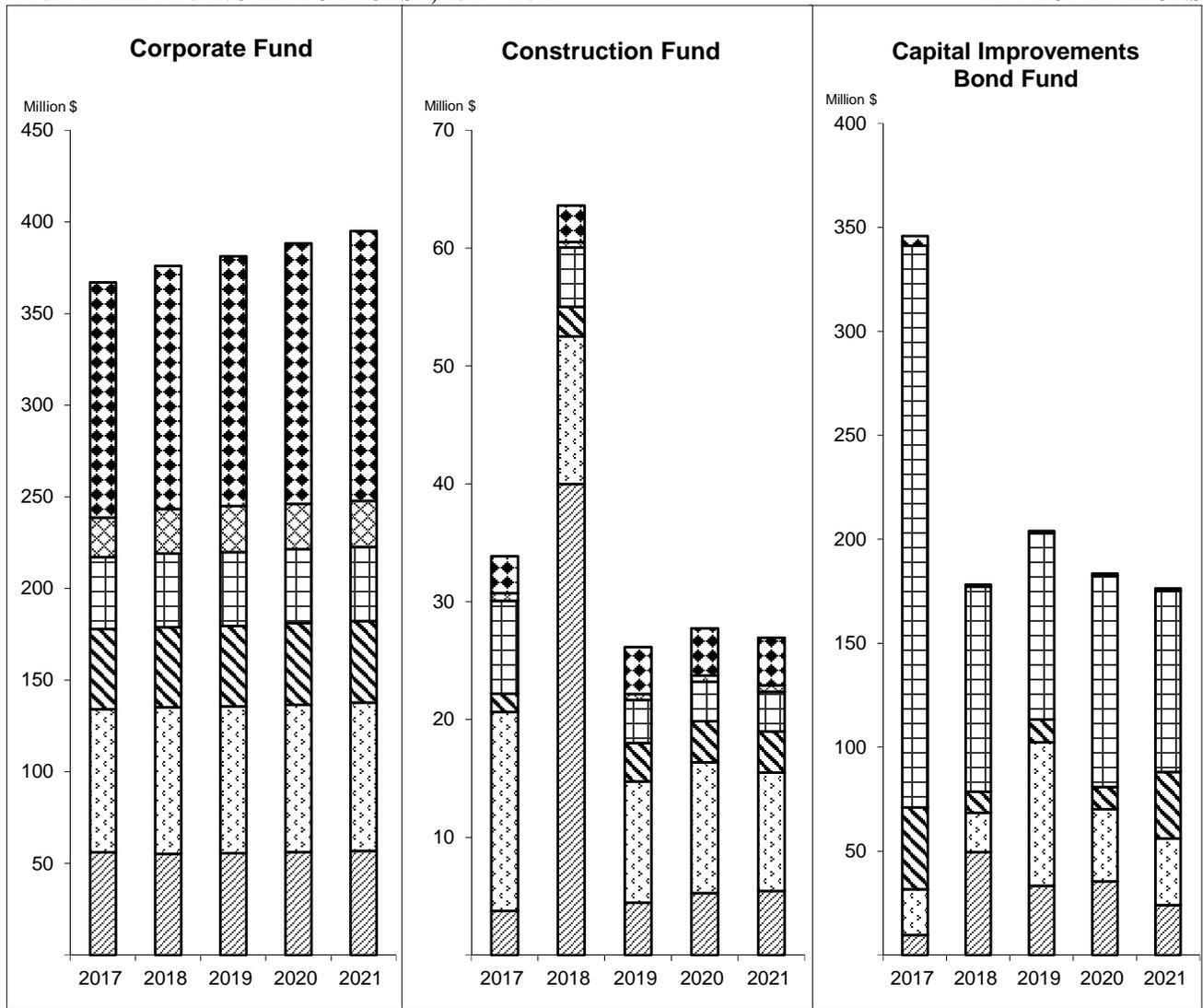
\*As part of the plan of financing, it is intended and anticipated that tax revenues deposited in the Stormwater Fund be transferred to the Bond Fund and used to abate taxes levied for the program.

Note: Totals are rounded.

\*Assumes a 3.0% increase in 2016, and a 3.0% increase annually thereafter.

**FIVE-YEAR FINANCIAL FORECAST, 2017 - 2021**

**APPROPRIATIONS**



\*The Capital Improvements Bond Fund is appropriated on an obligation basis.

This set of stacked bar charts is a restatement of each fund's appropriation table. The relatively steady proportions across all programs within the Corporate Fund reflect the District's consistent view of its objectives in the near term. The most significant aspect of the Construction Fund involves increasing its use for smaller pay-as-you-go capital projects administered by the Maintenance & Operations Department. The fluctuations in the Capital Improvements Bond Fund's (CIBF) appropriations represent the award of major Master Plan and disinfection projects. The CIBF operates on a full obligation basis and is the only fund where the encumbered appropriations do not lapse at the fiscal year end.

**FIVE-YEAR FINANCIAL FORECAST, 2017 - 2021**  
 Combined GAAP Balance Sheets - General Corporate Fund  
 (in Thousands)

Assets	2017	2018	2019	2020	2021
Cash	\$ 60,103	\$ 61,305	\$ 62,531	\$ 63,782	\$ 65,057
Restricted Cash	2,223	2,268	2,313	2,359	2,407
Investments	186,278	190,004	193,804	197,680	201,634
Receivables:					
Property Taxes	268,376	272,401	276,487	280,635	284,844
Less Allowance for Uncollectible Taxes	36,838	37,390	37,951	38,520	39,098
Net Property Taxes Receivable	231,538	235,011	238,536	242,114	245,746
Personal Property Replacement Tax	-	-	-	-	-
User Charges	830	855	880	907	934
Miscellaneous	9,801	9,997	10,197	10,400	10,608
Inventories	39,192	39,137	38,937	38,807	39,044
<b>Total Assets</b>	<b>\$ 529,964</b>	<b>\$ 538,576</b>	<b>\$ 547,198</b>	<b>\$ 556,049</b>	<b>\$ 565,430</b>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities:</b>					
Deferred Tax Revenue	\$ 197,156	\$ 200,114	\$ 203,115	\$ 206,162	\$ 209,254
Accounts Payable and Other Liabilities	34,372	35,059	35,760	36,476	37,205
Due to Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 231,528</b>	<b>\$ 235,173</b>	<b>\$ 238,876</b>	<b>\$ 242,638</b>	<b>\$ 246,459</b>
<b>Fund Equity:</b>					
Fund Balances					
Non-spendable - Inventory	\$ 37,698	\$ 37,736	\$ 37,774	\$ 37,811	\$ 37,849
Restricted - Working Cash	287,280	291,590	295,963	300,403	304,909
Real Estate Escrow	3,549	3,553	3,556	3,560	3,563
Reserve Claim	26,035	26,295	26,558	26,824	27,092
Designated for Future Claims	-	-	-	-	-
Unreserved:					
Undesignated	(56,126)	(55,771)	(55,529)	(55,186)	(54,443)
<b>Total Fund Equity</b>	<b>\$ 298,437</b>	<b>\$ 303,403</b>	<b>\$ 308,322</b>	<b>\$ 313,412</b>	<b>\$ 318,970</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 529,964</b>	<b>\$ 538,576</b>	<b>\$ 547,198</b>	<b>\$ 556,049</b>	<b>\$ 565,430</b>

Note: Totals are rounded.

**NOTE PAGE**

# SECTION III

## FINANCIAL STATEMENTS BY FUND

In this section, the financial structure of the District is presented with an explanation of the funds used, the accounting basis employed, and the relationships among the various funds. All financial statements, which Illinois Compiled Statutes require to be included in the Budget, are presented in this section. These statements and schedules provide full disclosure of assets and liabilities.

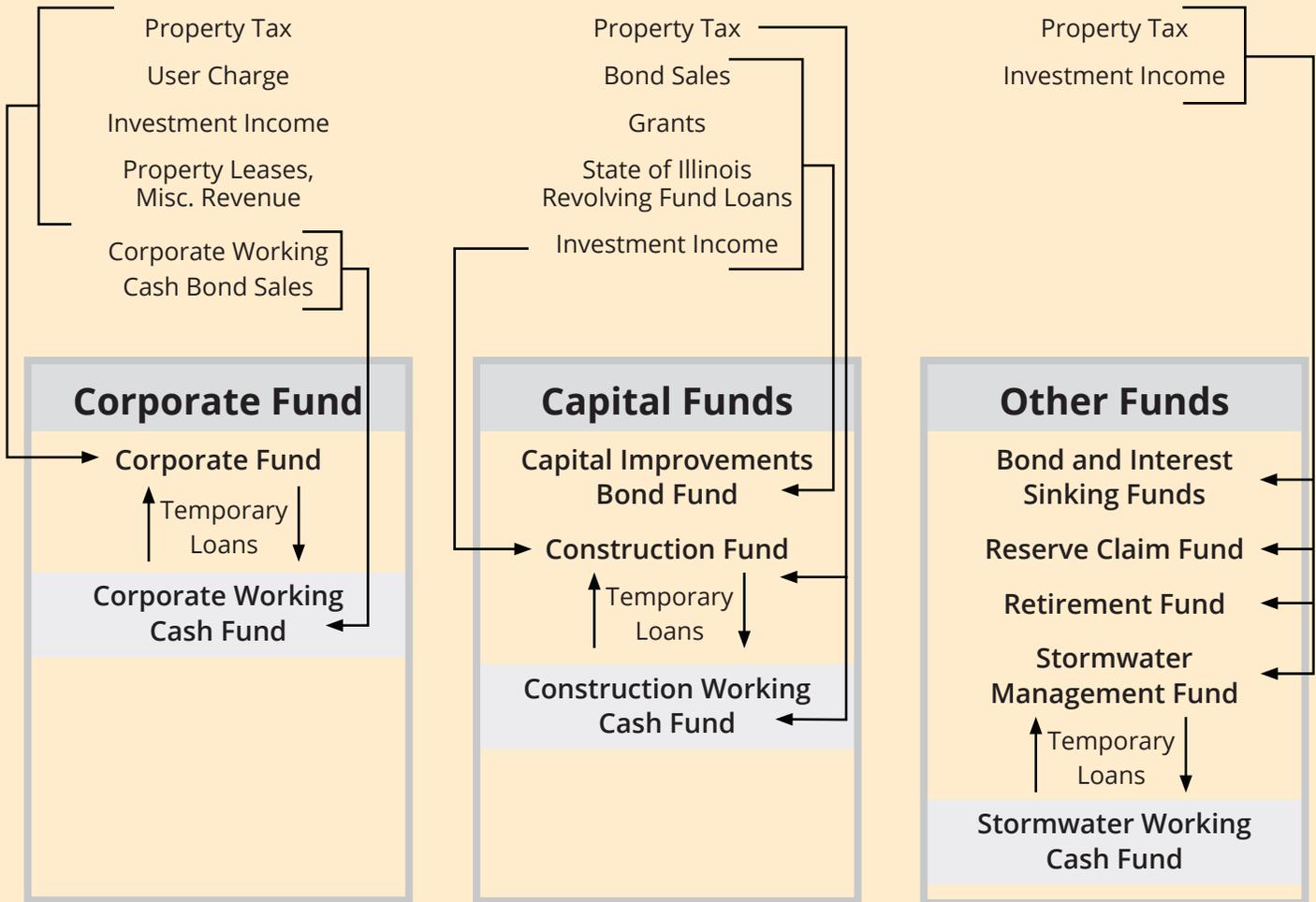
The financial statements are first presented in summary, with an overall financial narrative, then with summary statements of revenue and expenditures for 2015 through the Budget Year 2017. Consolidated statements of taxes receivable, providing historical data on tax levies, are included in this section. A consolidated Appropriation for Liabilities statement is presented, which identifies and provides an appropriation for unpaid bills, contracts, and other liabilities. These liabilities are then subtracted from current assets to determine assets available for appropriation.

Major fund category narratives are presented for the Corporate Fund, Capital Funds, and Other Funds, which discuss revenue sources, trends in revenue and expenditures, fiscal/financial policies, and other elements of these funds. Estimated balance sheets, statements of appropriable revenue, and statements of financial sources are then presented individually for each fund.

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# District's Flow of Funds Structure

## Revenue Sources



## Uses of Funds

General Operational Expenditures

Permanent Facilities  
Environmental Facilities  
Stormwater Management Projects  
Other Capital Expenditures

Principal and Interest on Bond Issues  
Payments for Claims and Damages  
Employee Pension Payments  
Stormwater Management Expenditures

Note: Working Cash can be transferred between other Working Cash Funds.

## FINANCIAL NARRATIVE

### FUND STRUCTURE, PURPOSE, AND ACCOUNTING BASIS

The financial structure of the Metropolitan Water Reclamation District of Greater Chicago (District) is organized on a fund accounting basis. Each statutorily authorized fund maintains a self-balancing set of accounts that are reported separately in their own financial statements. The District's use of funds ensures that public money is spent appropriately and within the amounts authorized. Established funds account for the different types of activities and legal restrictions that are associated with a particular government function. The use of funds and the budgeting, accounting, and auditing that are associated with this type of structure are governed by Illinois Compiled Statutes and Generally Accepted Accounting Principles (GAAP), as determined by the Governmental Accounting Standards Board (GASB).

The District uses the following funds to control its financial activities:

- Corporate
- Capital Improvements Bond
- Construction
- Stormwater Management
- Reserve Claim
- Corporate Working Cash
- Bond Redemption & Interest (Debt Service)
- Construction Working Cash
- Stormwater Working Cash
- Retirement

The chart on the facing page shows the flow of money within and between these funds.

The Corporate Fund is used to pay for the operations and general expenditures of the District, not specifically chargeable to other funds. The Corporate Working Cash Fund consists of accounts maintained for the sole purpose of making temporary loans to the Corporate Fund in anticipation of tax collections. The accounts of the Corporate, Corporate Working Cash, and Reserve Claim Funds are combined and reported as the General Corporate Fund for financial reporting purposes.

The capital project funds account for resources used for the acquisition of capital facilities. The Capital Improvements Bond Fund is used for improvements, replacements, and additions to designated environmental improvement projects and accounts for the proceeds of bonds authorized by the Illinois General Assembly, grant revenues, and other revenues. Beginning in 2014, this fund is also used for larger stormwater capital projects utilizing alternate bond proceeds. The Construction Fund is used as a pay-as-you-go capital fund for the construction, replacement, or remodeling of long-term assets used in the principal functions of the District, funded primarily by a property tax levy. The Construction Working Cash Fund consists of accounts maintained for the sole purpose of making temporary loans to the Construction Fund in anticipation of tax collections. The accounts of the Construction and Construction Working Cash Funds are combined and reported as the Construction Fund for financial reporting purposes.

The Bond Redemption & Interest Fund is used for the payment of interest and redemption of general obligation bond issues. It accounts for property tax levies and certain other revenues, such as interest on investments. A subfund is created for each bond issue.

The Reserve Claim Fund is used for the payment of claims, awards, losses, or liabilities that might be imposed against the District and for the emergency replacement or repair of damaged District property. It accounts for a property tax levy and other revenues. As stated above, the accounts of the Reserve Claim Fund are included in the General Corporate Fund for financial reporting purposes.

The Stormwater Management Fund was established in 2005 by an act of the Illinois state legislature. The purpose of this fund is to account for property tax levies and certain other revenues, such as interest on investments and permit fees, which are used for planning, management, and implementation activities relating to stormwater, flood, and floodwater management in Cook County, including areas outside of the District's corporate boundaries. The Stormwater Working Cash Fund, established in 2005 by an act of the Illinois General Assembly, consists of accounts maintained for the sole purpose of making temporary loans to the Stormwater Management Fund in anticipation of tax collections. The accounts of the Stormwater Management Fund and the Stormwater Working Cash Fund are combined and reported as the Stormwater Management Fund for financial reporting purposes.

The Retirement Fund is used to fund pension costs in accordance with statutory provisions and to account for a specific property tax levy. The taxes are collected by the District and paid to the MWRD Retirement Fund, a pension trust fund.

### BASIS OF BUDGETING AND ACCOUNTING

The budget is prepared using a cash basis of accounting for revenue recognition and an accrual basis for recording expenditures, as prescribed by Illinois Compiled Statutes. Revenues are recognized when received in cash, and expenditures are recorded at the time the liability is incurred, except for principal and interest on long-term debt, compensated absences, claims, judgments, and arbitrage, which are recognized when due and payable.

Encumbrance accounting is used in the budgetary process for all funds. Appropriations lapse at year end for the Corporate, Stormwater Management, Reserve Claim, Construction, Retirement, and Bond Redemption & Interest Funds. Appropriations for the Capital Improvements Bond Fund use a full encumbrance (obligation) method of budgetary accounting, which means

**FINANCIAL NARRATIVE (continued)**

that appropriations lapse at year-end only to the extent of the unencumbered balances. The appropriation for the Capital Improvements Bond Fund is adjusted to carry forward the open value of encumbrances from the prior year.

All of the funds in the previous section are defined as governmental-type funds, except for the pension trust fund. For GAAP purposes, the governmental-type funds are accounted for on a spending or “financial flow” measurement focus using the modified accrual basis of accounting, which means that only current assets and liabilities are generally included on the balance sheets. The reported fund balances (net current assets) are considered a measure of “available spendable resources.”

The Comprehensive Annual Financial Report of the District is prepared on a GAAP basis. GASB Statement Number 34 became effective for the 2002 fiscal year, and the District is in compliance with all of its provisions. The District is using the modified approach for assessing infrastructure, except for TARP deep tunnels and drop shafts, which will be depreciated. The District uses specific budgetary accounts to record the repair or preservation of existing capital assets, in addition to the construction of new assets or enhancements of existing capital assets. Inventory is accounted for on the purchase method for budgetary purposes and on the consumption method for GAAP financial reporting.

The District is a special district government created by the State of Illinois. Its powers and authority, in regard to revenue sources, are generally restricted to those powers granted by applicable state statutes. The following exhibits, 1 - 6, are derived from the summary of revenue and expenditures found on pages 74 - 76 of the 2017 Budget, and similar summaries in prior years' budgets. This is a summary of all District funds.

**TAX SOURCES**

The main source of revenue for the District is ad valorem property taxes. The authority to levy property taxes for the various funds generally specifies a tax rate limit per hundred dollars of property value, which when applied, yields a maximum amount of money which can be levied or collected against property owners. All District funds, with the exception of the District's Capital Improvements Bond Fund, derive their revenues primarily from property taxes. Approximately 52.8 percent of the 2017 appropriation is supported by property taxes. Taxes levied in one year are collected in the next year, and Working Cash Funds for the Corporate, Construction, and Stormwater Management Funds provide temporary financing while awaiting property tax receipts. Net Tax Sources displayed in Exhibit 1 reflect only property tax revenue for the Corporate, Construction, and Stormwater Management Funds. The estimate for uncollectible taxes for 2017 is 3.5 percent, based on annual review of prior years' tax collections.

A personal property replacement tax provides income tax revenue from corporations, partnerships, and the invested capital of public utilities to replace the personal property taxes, which were once received from these sources. These revenues are received directly from the State of Illinois. Revenue from this source is estimated at \$35.4 million for 2017, a decrease of \$2.5 million from the 2016 Adjusted Budget or 6.6 percent. This revenue source typically trends with the state of the economy.

Exhibit 1 presents revenue from net tax sources for the years 2013 - 2017. Due to the enactment of Tax Cap laws in 1995, future increases in property tax levies, except for debt service and the Stormwater Management Fund, are limited to the lesser of 5.0 percent or the change in the national Consumer Price Index (CPI), plus new property. For 2017, an increase of 3.2 percent is forecast, consisting of an estimated 2.5 percent change in the CPI plus an estimated 0.7 percent for new development and newly annexed properties. For 2017, the District is estimated to be near the Tax Cap limit. Impacts of the Tax Cap laws are discussed in the fund narratives and budget foreword.

**GRANTS AND LOANS**

Federal and state grants, and state loans contribute to finance the District's capital programs. For 2017, \$180.0 million in State Revolving Fund (SRF) loan revenue and \$11.1 million in federal grants is budgeted. In the past, the District has been successful in obtaining some grant funding and will continue to pursue grants for additional TARP projects. Exhibit 2 shows the grants and loans for the years 2013 - 2017.

The District anticipates receiving an annual allocation of up to \$200.0 million in State Revolving Fund loans in each of the next four years.

Exhibit 1

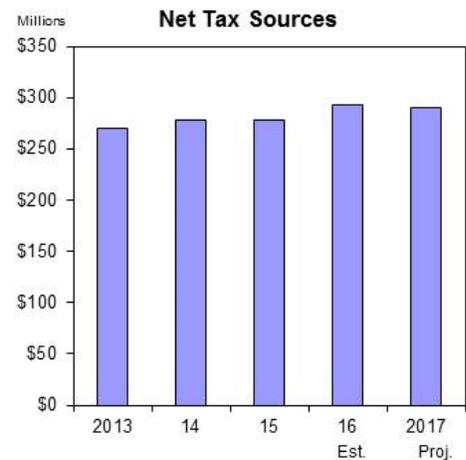
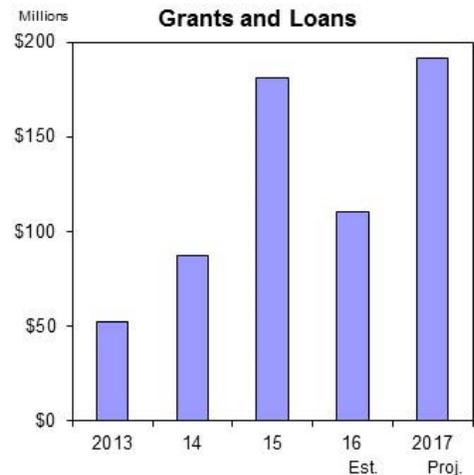


Exhibit 2



## FINANCIAL NARRATIVE (continued)

### BOND SALES

The District's Capital Program is financed primarily with general obligation bond sale proceeds. Bonds are used to provide necessary revenue for capital project cash flows. The District issued \$104 million of General Obligation Capital Improvement Bonds, 2016 Series C, D, E, F.

The 2016 Series E General Obligation Unlimited Tax Bonds were issued as "alternate bonds" pursuant to the Debt Reform Act. The 2016 Series E bonds will be paid by the District from the levy and collection of Stormwater Management tax receipts, which constitute a "revenue source" pledged as security for the payment of principal and interest on the bonds. Series F bonds are Qualified Energy Conservation Bonds to fund energy efficiency projects in the WRPs. In addition to the Capital Improvement Bonds, the District issued Refunding Bonds that will achieve in excess of \$120 million in savings on future debt service payments.

Tax Cap laws restrict the District's non-referendum bonding authority to funding projects initiated prior to October 1, 1991, which generally include only TARP projects. However, Public Act 89-385 provided additional non-referendum authority to the District to authorize the issuance of "limited bonds". In 1997, Public Act 090-485 was adopted and expands this "limited bond" authority by excluding bonds issued for TARP purposes from the tax extension limitation. The District's limited bonds have sold successfully and will be used in the future. In 2003, Public Act 092-143 was passed to authorize the issuance of 30 year bonds. Public Act 092-726 extended the non-referendum bonding authority from December 31, 2006 to December 31, 2016; and Public Act 096-1308, effective January 1, 2011, extended the non-referendum bonding authority from December 31, 2016 to December 31, 2024.

The Capital Funds narrative on page 89 provides a more detailed discussion. The statement of outstanding bonds and statutory debt margin on page 51 shows the District's strong position. The Five-Year Financial Forecast on pages 57 and 65 details future bond sale projections. Bond sales are summarized in Exhibit 3.

### PROPERTY, SERVICES, AND MISCELLANEOUS

Exhibit 4 summarizes revenue from property, services, and miscellaneous items. A major revenue source is the user charge system, which imposes a surcharge above property tax payments for commercial, industrial, and tax-exempt users of the sewage systems. Estimated user charge revenues in 2017 are \$47.0 million.

Land rentals, investment income, sewer permit fees, connection impact fees, and other revenues will provide an estimated \$37.2 million in 2017. Estimates for land rental revenues are based on existing and renegotiated leases. Investment income is based on projections of cash flow and interest rates for 2017. Interest rates on short-term securities are expected to remain stable or decrease slightly through 2017. Our investments are predominately short-term in nature. Sewer permit revenue estimates are based on anticipated development projects and 2016 rates. Connection impact fees were established in 1998 to require new service areas to contribute to the past investment in the District's infrastructure.

### NET ASSETS APPROPRIABLE

Exhibit 5 shows the trend in net assets appropriable, which is primarily impacted by bond sales, expenditures for capital projects, and the reservation of future years' principal and interest payments in the debt service funds. Net assets appropriable have been used to reduce future years' taxes. Beginning in 2005, a portion of the projected Corporate Fund net assets was left unappropriated to maintain a fiscally sound fund balance. The negative amounts in 2015 - 2017

Exhibit 3

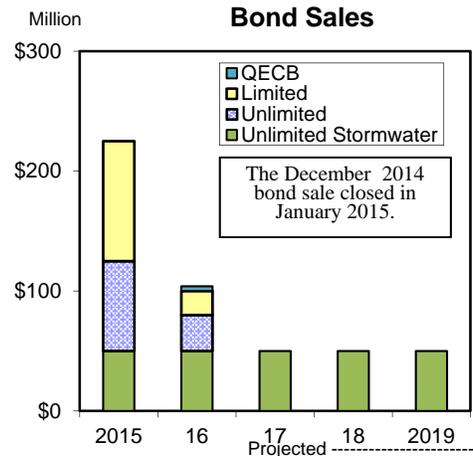


Exhibit 4

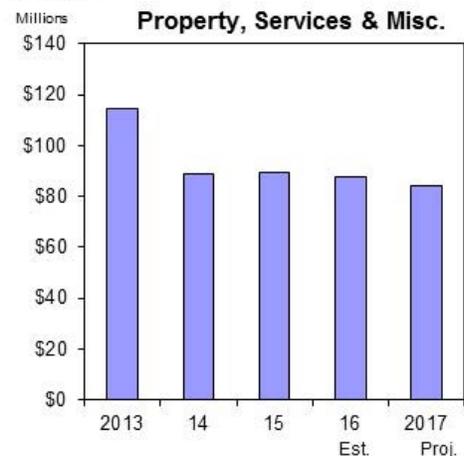
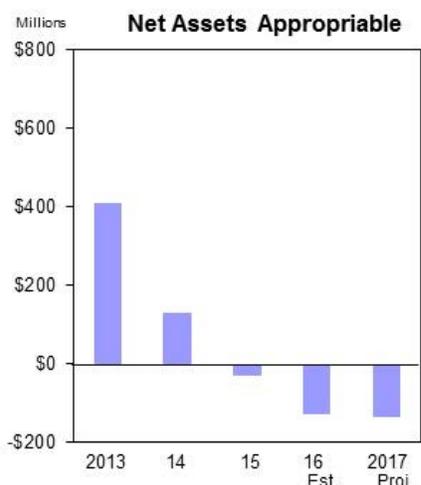


Exhibit 5



## FINANCIAL NARRATIVE (continued)

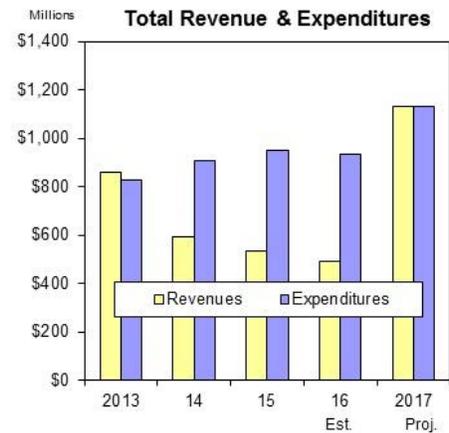
are attributable to use of the obligation basis of budgetary accounting for the Capital Improvements Bond Fund and indicated that future bond sales or State Revolving Fund loans are necessary to finance projects.

### TOTAL REVENUES AND EXPENDITURES

Exhibit 6 displays the relationship between revenues and expenditures. The difference between revenues and expenditures is primarily accounted for by bond sale proceeds to finance future payments for capital projects. In general, the Capital Improvements Bond Fund aside, a balance is maintained between revenues and expenditures to fully utilize net assets appropriate, therefore, limiting property taxes.

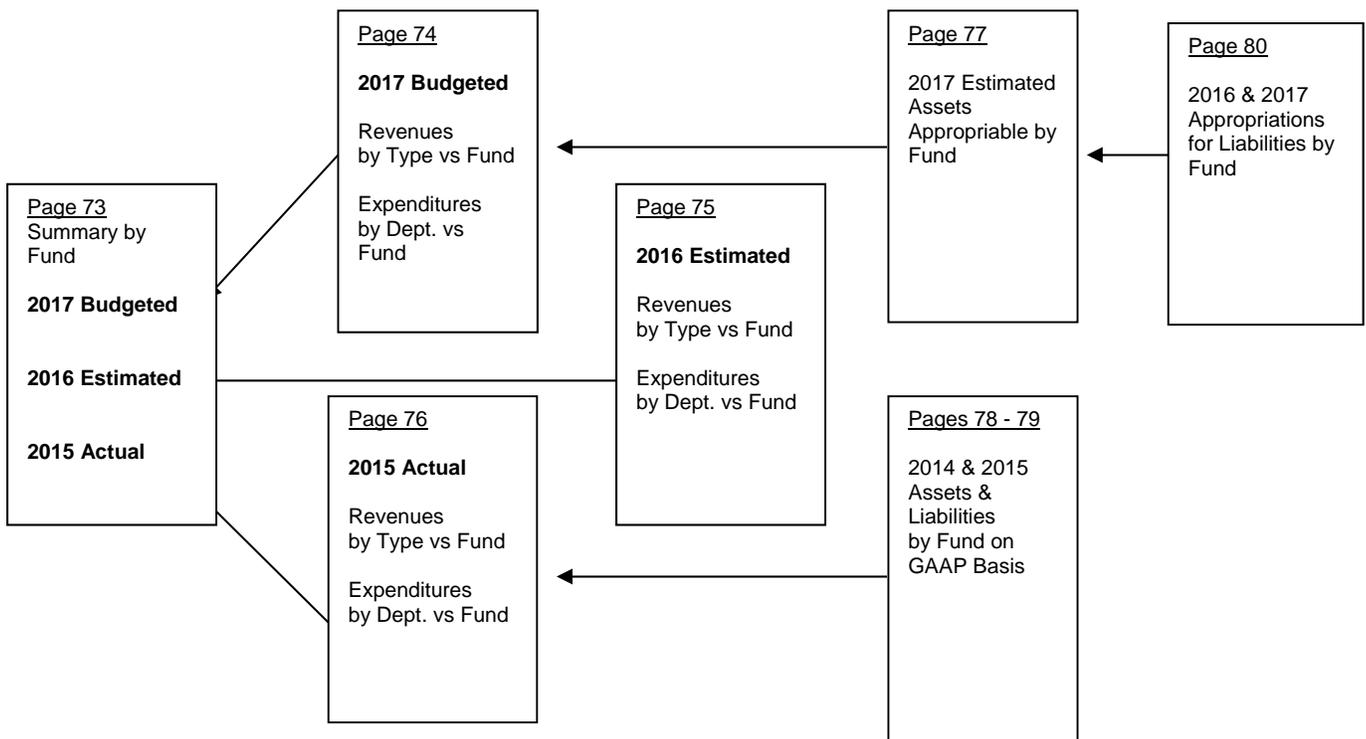
For 2017, a portion of the Corporate Fund projected net assets will remain unappropriated to ensure a fiscally responsible fund balance. District management and the financial markets view a Corporate Fund balance within the \$44 to \$55 million range as necessary to maintain financial stability in the face of economic uncertainties. This fund balance level is consistent with the level recommended by the Government Finance Officers Association. This strategy is an integral part of a long-term plan that also includes reductions of future expenditures to better match current revenues.

Exhibit 6



### SUMMARY FINANCIAL STATEMENTS

Summary financial statements presented on pages 73 - 76 provide comparisons of revenues and expenditures for all funds for the years 2015 - 2017. These statements provide a financial summarization by fund of the 2017 Budget as proposed, the estimated status at year-end of the 2016 Budget, and the actual results of operations for the 2015 Budget. The relationships among the pages are diagrammed below.



The table of taxes receivable on page 81 provides detailed data on property tax levies and tax receipts from 2012 to 2016. While 2012 through 2014 show high levels of collection, delayed refunds continue to be processed through the Property Tax Appeals Board and the Circuit Courts. Estimated refunds affecting levy years prior to 2012 are summarized.

Specific details about all revenue sources, assets, liabilities, and appropriable revenue are presented in the various funds' financial narratives and statements on pages 83 through 102.

**ALL FUNDS**  
**SUMMARY OF REVENUE, EXPENDITURES, AND NET ASSETS APPROPRIABLE (b)**  
**2017 BUDGETED, 2016 ESTIMATED, AND 2015 ACTUAL**

(In Thousands)

	FUND							TOTAL
	CORPORATE	CAPITAL IMPROVEMENTS BOND	CONSTRUCTION	STORMWATER MANAGEMENT	RETIREMENT (d)	BOND REDEMPTION & INTEREST (d)	RESERVE CLAIM (d)	
<b>2017 BUDGETED</b>								
Net Assets Appropriable	\$ 135,931.3	\$ (617,850.8)	\$ 9,807.9	\$ 6,197.1	\$ 79,505.0	\$ 221,591.8	\$ 30,417.1	\$ (134,400.6)
Net Assets Appropriated	\$ 52,769.0	\$ (617,850.8)	\$ 9,807.9	\$ 6,197.1	\$ 79,505.0	\$ 221,591.8	\$ 30,417.1	\$ (217,562.9)
Revenue	314,293.0	965,888.0	24,045.0	38,800.0	-	6,169.3	200.0	1,349,395.3
Appropriation	\$ 367,062.0	\$ 348,037.2	\$ 33,852.9	\$ 44,997.1	\$ 79,505.0	\$ 227,761.1	\$ 30,617.1	\$ 1,131,832.4
<b>2016 ESTIMATED</b>								
Beginning Net Assets Appropriable as adjusted (c)	\$ 145,889.3	\$ (609,914.9)	\$ 16,341.7	\$ 9,371.5	\$ 70,772.0	\$ 210,648.9	\$ 29,905.5	\$ (126,986.0)
Revenue (a)	320,199.2	239,309.1	17,745.7	32,599.1	-	4,292.7	283.0	614,428.8
Adjustment for 2016 receipts	4,305.6	-	791.4	304.0	-	-	-	5,401.0
Expenditures	(334,462.8)	(247,245.0)	(25,070.9)	(36,077.5)	(70,772.0)	(214,941.6)	(5,398.2)	(933,968.0)
Ending Net Assets Appropriable	\$ 135,931.3	\$ (617,850.8)	\$ 9,807.9	\$ 6,197.1	\$ -	\$ -	\$ 24,790.3	\$ (441,124.2)
<b>2015 ACTUAL</b>								
Beginning Net Assets Appropriable as adjusted (c)	\$ 142,060.3	\$ (519,237.2)	\$ 20,538.2	\$ 21,297.6	\$ 62,498.0	\$ 211,354.6	\$ 29,891.5	\$ (31,597.0)
Revenue	336,867.1	185,601.1	17,706.8	23,400.4	-	3,171.2	417.4	567,164.0
Expenditures	(333,038.1)	(276,278.8)	(21,903.3)	(35,326.5)	(62,498.0)	(214,525.8)	(5,890.4)	(949,460.9)
Ending Net Assets Appropriable	\$ 145,889.3	\$ (609,914.9)	\$ 16,341.7	\$ 9,371.5	\$ -	\$ -	\$ 24,418.5	\$ (413,893.9)
Adjusted NAA 1/1/2016	\$ 150,194.9		\$ 17,133.1	\$ 9,675.5				
Adjustment (a)	\$ 4,305.6		\$ 791.4	\$ 304.0				

(a) Adjustment to NAA required due to current 2016 estimate on collection of property tax levies and PPRT. See the Balance Sheets and Appropriable Revenue statements 1/1/2016 for the Corporate (pages 85-86), Construction (pages 92-93), and Stormwater Management (pages 96-97) Funds. The adjustment is reflected in the 2016 revenues.

(b) This statement is a summary presentation of pages 74-77, separating current revenue and NAA from the revenue category.

(c) Ending NAA for one year are revised for accounting adjustments, equity transfers, and changes in the amount of designations to establish beginning net assets for the next year.

(d) Revenue for the Retirement, Reserve Claim, and Bond Redemption & Interest Funds does not include the current year tax levies, which are reflected in the next year's NAA.

**ALL FUNDS  
SUMMARY OF REVENUE AND EXPENDITURES  
2017 BUDGETED**

(In Thousands)

	FUND							
	CORPORATE	CAPITAL IMPROVEMENTS BOND*	CONSTRUCTION	STORMWATER MANAGEMENT	RETIREMENT	BOND REDEMPTION & INTEREST	RESERVE CLAIM	TOTAL
<b>REVENUE</b>								
Net Assets Appropriable	\$ 135,931.3	\$ (617,850.8)	\$ 9,807.9	\$ 6,197.1	\$ 79,505.0	\$ 221,591.8	\$ 30,417.1	\$ (134,400.6)
Budget Reserve	(83,162.3)	-	-	-	-	-	-	(83,162.3)
Net Property Taxes	216,108.0	-	16,405.0	39,426.0	-	-	-	271,939.0
Personal Property Replacement Tax	18,164.0	-	-	-	-	-	-	18,164.0
Working Cash Borrowings Adjustment	(4,272.0)	-	(205.0)	(626.0)	-	-	-	(5,103.0)
Bond Sales (Present & Future)	-	784,752.9	-	-	-	-	-	784,752.9
Grants (Federal & State)	-	11,135.1	-	-	-	-	-	11,135.1
Investment Income	600.0	3,000.0	100.0	-	-	400.0	200.0	4,300.0
State Revolving Fund Loans	-	180,000.0	-	-	-	-	-	180,000.0
Property & Services	19,900.0	-	-	-	-	-	-	19,900.0
User Charge	47,000.0	-	-	-	-	-	-	47,000.0
TIF Differential Fee & Impact Fee	3,225.0	-	745.0	-	-	-	-	3,970.0
Equity Transfer	6,000.0	(13,000.0)	7,000	-	-	5,769.3	-	5,769.3
Resource Recovery	4,000.0	-	-	-	-	-	-	4,000.0
Miscellaneous	3,568.0	-	-	-	-	-	-	3,568.0
<b>TOTAL REVENUE</b>	<b>\$ 367,062.0</b>	<b>\$ 348,037.2</b>	<b>\$ 33,852.9</b>	<b>\$ 44,997.1</b>	<b>\$ 79,505.0</b>	<b>\$ 227,761.1</b>	<b>\$ 30,617.1</b>	<b>\$ 1,131,832.4</b>
<b>EXPENDITURES</b>								
Board of Commissioners	\$ 4,510.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,510.8
General Administration	18,545.3	-	-	-	-	-	-	18,545.3
Monitoring & Research	31,030.4	-	-	-	-	-	-	31,030.4
Procurement & Materials Mgmt.	9,534.0	-	-	-	-	-	-	9,534.0
Human Resources	59,032.3	-	-	-	-	-	-	59,032.3
Information Technology	17,283.2	-	-	-	-	-	-	17,283.2
Law	8,375.3	-	-	-	-	-	-	8,375.3
Finance	3,655.9	-	-	-	-	-	-	3,655.9
Engineering	28,589.0	348,037.2	33,852.9	-	-	-	-	410,479.1
Maintenance & Operations	186,505.8	-	-	-	-	-	-	186,505.8
Stormwater Management Fund	-	-	-	39,227.8	-	-	-	39,227.8
Retirement Fund	-	-	-	-	79,505.0	-	-	79,505.0
Bond Redemption & Interest Fund	-	-	-	-	-	227,761.1	-	227,761.1
Reserve Claim Fund	-	-	-	-	-	-	30,617.1	30,617.1
Equity Transfer	-	-	-	5,769.3	-	-	-	5,769.3
<b>TOTAL EXPENDITURES</b>	<b>\$ 367,062.0</b>	<b>\$ 348,037.2</b>	<b>\$ 33,852.9</b>	<b>\$ 44,997.1</b>	<b>\$ 79,505.0</b>	<b>\$ 227,761.1</b>	<b>\$ 30,617.1</b>	<b>\$ 1,131,832.4</b>

\* The Capital Improvements Bond Fund is budgeted on an "obligation" basis, which records expenditures in the period in which the contracts or grants are awarded.

**ALL FUNDS  
SUMMARY OF REVENUE AND EXPENDITURES  
2016 ESTIMATED**

(In Thousands)

	<b>FUND</b>							
	<b>CORPORATE</b>	<b>CAPITAL IMPROVEMENTS BOND*</b>	<b>CONSTRUCTION</b>	<b>STORMWATER MANAGEMENT</b>	<b>RETIREMENT</b>	<b>BOND REDEMPTION &amp; INTEREST</b>	<b>RESERVE CLAIM</b>	<b>TOTAL</b>
<b>REVENUE</b>								
Net Assets Appropriable	\$ 145,889.3	\$ (609,914.9)	\$ 16,341.7	\$ 9,371.5	\$ 70,772.0	\$ 210,648.9	\$ 29,905.5	\$ (126,986.0)
Adjustment for Receipts	4,305.6	-	791.4	304.0	-	-	-	5,401.0
Net Property Taxes	218,195.5	-	16,019.0	33,051.3	-	-	-	267,265.8
Personal Property Replacement Tax	24,676.0	-	1,100.0	-	-	-	-	25,776.0
Working Cash Borrowings Adjustment	(4,671.5)	-	(319.0)	(551.2)	-	-	-	(5,541.7)
Bond Sales (Present & Future)	-	125,003.5	-	-	-	-	-	125,003.5
Grants (Federal & State)	-	11,195.2	-	-	-	-	-	11,195.2
Investment Income	793.0	1,905.0	156.8	99.0	-	1,020.0	283.0	4,256.8
State Revolving Fund Loans	-	98,982.0	-	-	-	-	-	98,982.0
Property & Services	21,180.8	-	-	-	-	-	-	21,180.8
User Charge	47,500.0	-	-	-	-	-	-	47,500.0
TIF Differential Fee & Impact Fee	8,380.3	-	745.0	-	-	-	-	9,125.3
Equity Transfer	-	-	-	-	-	3,272.7	-	3,272.7
Miscellaneous	4,145.1	2,223.4	43.9	-	-	-	-	6,412.4
<b>TOTAL REVENUE</b>	<b>\$ 470,394.1</b>	<b>\$ (370,605.8)</b>	<b>\$ 34,878.8</b>	<b>\$ 42,274.6</b>	<b>\$ 70,772.0</b>	<b>\$ 214,941.6</b>	<b>\$ 30,188.5</b>	<b>\$ 492,843.8</b>
<b>EXPENDITURES</b>								
Board of Commissioners	\$ 4,204.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,204.1
General Administration	15,452.6	-	-	-	-	-	-	15,452.6
Monitoring & Research	27,592.1	-	-	-	-	-	-	27,592.1
Procurement & Materials Mgmt.	8,650.0	-	-	-	-	-	-	8,650.0
Human Resources	58,772.3	-	-	-	-	-	-	58,772.3
Information Technology	14,055.6	-	-	-	-	-	-	14,055.6
Law	6,751.5	-	-	-	-	-	-	6,751.5
Finance	3,475.0	-	-	-	-	-	-	3,475.0
Engineering	25,551.2	247,245.0	25,070.9	-	-	-	-	297,867.1
Maintenance & Operations	169,958.4	-	-	-	-	-	-	169,958.4
Stormwater Management Fund	-	-	-	32,804.8	-	-	-	32,804.8
Retirement Fund	-	-	-	-	70,772.0	-	-	70,772.0
Bond Redemption & Interest Fund	-	-	-	-	-	214,941.6	-	214,941.6
Reserve Claim Fund	-	-	-	-	-	-	5,398.2	5,398.2
Equity Transfer	-	-	-	3,272.7	-	-	-	3,272.7
<b>TOTAL EXPENDITURES</b>	<b>\$ 334,462.8</b>	<b>\$ 247,245.0</b>	<b>\$ 25,070.9</b>	<b>\$ 36,077.5</b>	<b>\$ 70,772.0</b>	<b>\$ 214,941.6</b>	<b>\$ 5,398.2</b>	<b>\$ 933,968.0</b>

\* The Capital Improvements Bond Fund is budgeted on an "obligation" basis, which records expenditures in the period in which the contracts or grants are awarded.

**ALL FUNDS  
SUMMARY OF REVENUE AND EXPENDITURES  
2015 ACTUAL**

(In Thousands)

	FUND							TOTAL
	CORPORATE	CAPITAL IMPROVEMENTS BOND*	CONSTRUCTION	STORMWATER MANAGEMENT	RETIREMENT	BOND REDEMPTION & INTEREST	RESERVE CLAIM	
<b>REVENUE</b>								
Net Assets Appropriable	\$ 142,060.3	\$ (519,237.2)	\$ 20,538.2	\$ 21,297.6	\$ 62,498.0	\$ 211,354.6	\$ 29,891.5	\$ (31,597.0)
Adjustment for Receipts	17,607.7	-	575.9	373.1	-	-	-	18,556.7
Net Property Taxes	219,244.1	-	15,922.5	23,208.3	-	-	-	258,374.9
Personal Property Replacement Tax	20,101.6	-	-	-	-	-	-	20,101.6
Working Cash Borrowings Adjustment	(4,445.6)	-	(622.5)	(408.3)	-	-	-	(5,476.4)
Bond Sales	-	-	-	-	-	4.4	-	4.4
Grants (Federal & State)	-	-	-	-	-	-	-	-
Investment Income	1,003.4	2,278.6	280.7	227.0	-	1,039.5	403.9	5,233.1
State Revolving Fund Loans	-	180,840.6	-	-	-	-	-	180,840.6
Property & Services	22,974.8	-	-	-	-	-	-	22,974.8
User Charge	48,176.5	-	300.0	-	-	-	-	48,476.5
TIF Differential & Impact Fee	6,168.5	-	745.5	-	-	-	-	6,914.0
Equity Transfer	-	-	-	-	-	2,123.9	-	2,123.9
Miscellaneous	6,036.1	2,481.9	504.7	0.3	-	3.4	13.5	9,039.9
<b>TOTAL REVENUE</b>	<b>\$ 478,927.4</b>	<b>\$ (333,636.1)</b>	<b>\$ 38,245.0</b>	<b>\$ 44,698.0</b>	<b>\$ 62,498.0</b>	<b>\$ 214,525.8</b>	<b>\$ 30,308.9</b>	<b>\$ 535,567.0</b>
<b>EXPENDITURES</b>								
Board of Commissioners	\$ 3,660.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,660.1
General Administration	14,800.3	-	-	-	-	-	-	14,800.3
Monitoring & Research	26,892.4	-	-	-	-	-	-	26,892.4
Procurement & Materials Mgmt.	8,139.3	-	-	-	-	-	-	8,139.3
Human Resources	58,426.0	-	-	-	-	-	-	58,426.0
Information Technology	14,574.6	-	-	-	-	-	-	14,574.6
Law	6,018.2	-	-	-	-	-	-	6,018.2
Finance	3,426.1	-	-	-	-	-	-	3,426.1
Engineering	25,961.6	276,278.8	21,903.3	-	-	-	-	324,143.7
Maintenance & Operations	171,139.5	-	-	-	-	-	-	171,139.5
Stormwater Management Fund	-	-	-	33,202.6	-	-	-	33,202.6
Retirement Fund	-	-	-	-	62,498.0	-	-	62,498.0
Bond Redemption & Interest Fund	-	-	-	-	-	214,525.8	-	214,525.8
Reserve Claim Fund	-	-	-	-	-	-	5,890.4	5,890.4
Equity Transfer	-	-	-	2,123.9	-	-	-	2,124
<b>TOTAL EXPENDITURES</b>	<b>\$ 333,038.1</b>	<b>\$ 276,278.8</b>	<b>\$ 21,903.3</b>	<b>\$ 35,326.5</b>	<b>\$ 62,498.0</b>	<b>\$ 214,525.8</b>	<b>\$ 5,890.4</b>	<b>\$ 949,461.0</b>

\* The Capital Improvements Bond Fund is budgeted on an "obligation" basis which records expenditures in the period in which the contracts or grants are awarded.

**SUMMARY OF ESTIMATED ASSETS APPROPRIABLE FOR THE CORPORATE, CAPITAL IMPROVEMENTS BOND, RETIREMENT, CONSTRUCTION, STORMWATER MANAGEMENT, BOND REDEMPTION & INTEREST, AND RESERVE CLAIM FUNDS FOR THE YEAR 2017**

DESCRIPTION	FUND							TOTAL
	CORPORATE	CAPITAL IMPROVEMENTS BOND	CONSTRUCTION	STORMWATER MANAGEMENT	RETIREMENT	BOND REDEMPTION & INTEREST	RESERVE CLAIM	
2017 Revenue	\$ 308,293,000	\$ 978,888,000	\$ 17,045,000	\$ 38,800,000	\$ -	\$ 400,000	\$ 200,000	\$ 1,343,626,000
Resources Available at 01/01/17	<u>339,303,628</u>	<u>289,333,332</u>	<u>25,267,000</u>	<u>39,735,768</u>	<u>79,505,000</u>	<u>333,238,865</u>	<u>30,817,100</u>	<u>1,137,200,693</u>
Total Resources	\$ 647,596,628	\$ 1,268,221,332	\$ 42,312,000	\$ 78,535,768	\$ 79,505,000	\$ 333,638,865	\$ 31,017,100	\$ 2,480,826,693
Liabilities:								
Liabilities and Designations at 01/01/17	203,372,328	907,184,132	15,459,100	33,538,668	-	111,647,090 *	400,000	1,271,601,318
Equity Transfer	6,000,000	(13,000,000)	7,000,000	-	-	5,769,300	-	5,769,300
Budget Reserve	<u>83,162,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,162,300</u>
<b>ASSETS APPROPRIABLE</b>	<u>\$ 367,062,000</u>	<u>\$ 348,037,200</u>	<u>\$ 33,852,900</u>	<u>\$ 44,997,100</u>	<u>\$ 79,505,000</u>	<u>\$ 227,761,075</u>	<u>\$ 30,617,100</u>	<u>\$ 1,131,832,375</u>

\* Future Years' Principal and Interest

## GAAP Basis Statement From 2015 CAFR - Exhibit A-1 Governmental Funds Balance Sheets / Statements of Net Assets

*December 31, 2015 (with comparative amounts for prior year)*

*(in thousands of dollars)*

	<b>General</b>		<b>Debt Service</b>		<b>Capital Improvements</b>	
	<b>Corporate Fund</b>		<b>Fund</b>		<b>Bond Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>						
Cash	\$ 57,769	\$ 45,390	\$ 15,826	\$ 2,065	\$ 92,764	\$ 6,574
Certificates of deposit (note 4)	4,498	10,295	2,014	7,013	16,617	6,002
Investments (note 4)	174,547	191,294	90,831	99,313	202,441	119,156
Prepaid insurance	2,137	2,143	-	-	-	-
Taxes receivable, net (note 5)	224,745	224,845	216,631	210,679	-	-
Other receivables, net (note 5)	8,720	4,380	-	928	41,521	32,908
Due from other funds (note 12)	77	52	-	-	-	-
Restricted deposits	1,405	1,409	-	-	-	-
Inventories	37,623	39,586	-	-	-	-
Capital assets not being depreciated (note 6)	-	-	-	-	-	-
Capital assets being depreciated, net (note 6)	-	-	-	-	-	-
Total Assets	<u>\$ 511,521</u>	<u>\$ 519,394</u>	<u>\$ 325,302</u>	<u>\$ 319,998</u>	<u>\$ 353,343</u>	<u>\$ 164,640</u>
Deferred outflows of resources:						
Loss on prior debt refunding	-	-	-	-	-	-
Deffered amount related to pension	-	-	-	-	-	-
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities, Fund Balances / Net Assets</b>						
Liabilities:						
Accounts payable and other liabilities (note 5)	\$ 28,815	\$ 37,817	\$ -	\$ -	\$ 48,760	\$ 42,951
Due to Pension Trust Fund	-	-	-	-	-	-
Due to other funds (note 12)	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	-
Unearned Revenue (note 5)	4,222	3,686	-	-	-	-
Long-term liabilities: (note 11)						
Due within one year	-	-	-	-	-	-
Due in more than one year	-	-	-	-	-	-
Total Liabilities	<u>\$ 33,037</u>	<u>\$ 41,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,760</u>	<u>\$ 42,951</u>
Deferred inflows of resources:						
Unavailable tax revenue (note 5)	191,372	190,865	184,496	178,908	-	-
Other unavailable/unearned revenue (note 5)	-	-	-	928	933	-
Total deferred inflows of resources	<u>\$ 191,372</u>	<u>\$ 190,865</u>	<u>\$ 184,496</u>	<u>\$ 179,836</u>	<u>\$ 933</u>	<u>\$ -</u>
Fund Balances/Net Assets:						
Nonspendable for prepaid insurance	2,137	2,143	-	-	-	-
Nonspendable for inventories	37,623	39,586	-	-	-	-
Restricted for deposits	1,405	1,409	-	-	-	-
Restricted for working cash	278,852	278,148	-	-	-	-
Restricted for reserve claims	25,522	27,590	-	-	-	-
Restricted for debt service	-	-	140,806	140,162	-	-
Restricted for capital projects	-	-	-	-	175,730	8,921
Restricted for construction	-	-	-	-	-	-
Restricted for stormwater management	-	-	-	-	-	-
Assigned	-	-	-	-	127,920	112,768
Unassigned (Deficit)	(58,427)	(61,850)	-	-	-	-
Total Fund Balances	<u>\$ 287,112</u>	<u>\$ 287,026</u>	<u>\$ 140,806</u>	<u>\$ 140,162</u>	<u>\$ 303,650</u>	<u>\$ 121,689</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 511,521</u>	<u>\$ 519,394</u>	<u>\$ 325,302</u>	<u>\$ 319,998</u>	<u>\$ 353,343</u>	<u>\$ 164,640</u>
Net Position:						
Net investment in capital assets						
Restricted for corporate working cash						
Restricted for reserve claim						
Restricted for debt service						
Restricted for capital projects						
Restricted for construction working cash						
Restricted for stormwater working cash						
Unrestricted (Deficit)						
Total Net Position						

Notes reference the 2015 CAFR of the District - Available on the Internet at [www.mwr.org](http://www.mwr.org)

Metropolitan Water Reclamation District of Greater Chicago

Retirement Fund		Other Governmental / Nonmajor Funds		Total Governmental Activities		Adjustments (Note 2a)		Statements of Net Assets	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
\$ -	\$ -	\$ 7,342	\$ 3,244	\$ 173,701	\$ 57,273	\$ -	\$ -	\$ 173,701	\$ 57,273
-	-	502	1,801	23,631	25,111	-	-	23,631	25,111
-	-	50,305	71,555	518,124	481,318	-	-	518,124	481,318
-	-	-	-	2,137	2,143	-	-	2,137	2,143
61,566	54,678	39,131	37,056	542,073	527,258	-	-	542,073	527,258
-	-	745	745	50,986	38,961	-	-	50,986	38,961
-	-	-	-	77	52	(77)	(52)	-	-
-	-	-	-	1,405	1,409	-	-	1,405	1,409
-	-	-	-	37,623	39,586	-	-	37,623	39,586
-	-	-	-	-	-	5,571,371	5,317,556	5,571,371	5,317,556
-	-	-	-	-	-	1,710,649	1,722,885	1,710,649	1,722,885
<u>\$ 61,566</u>	<u>\$ 54,678</u>	<u>\$ 98,025</u>	<u>\$ 114,401</u>	<u>\$ 1,349,757</u>	<u>\$ 1,173,111</u>	<u>\$ 7,281,943</u>	<u>\$ 7,040,389</u>	<u>\$ 8,631,700</u>	<u>\$ 8,213,500</u>
-	-	-	-	-	-	12,511	13,518	12,511	13,518
-	-	-	-	-	-	91,456	73,906	91,456	73,906
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,967</u>	<u>\$ 87,424</u>	<u>\$ 103,967</u>	<u>\$ 87,424</u>
\$ -	\$ -	\$ 11,785	\$ 12,337	\$ 89,360	\$ 93,105	\$ -	\$ -	\$ 89,360	\$ 93,105
13,867	13,293	-	-	13,867	13,293	57,174	41,385	71,041	54,678
-	-	77	52	77	52	(77)	(52)	-	-
-	-	-	-	-	-	14,924	13,623	14,924	13,623
-	-	-	-	4,222	3,686	-	(741)	4,222	2,945
-	-	-	-	-	-	123,555	114,993	123,555	114,993
-	-	-	-	-	-	3,903,359	3,530,124	3,903,359	3,530,124
<u>\$ 13,867</u>	<u>\$ 13,293</u>	<u>\$ 11,862</u>	<u>\$ 12,389</u>	<u>\$ 107,526</u>	<u>\$ 110,136</u>	<u>\$ 4,098,935</u>	<u>\$ 3,699,332</u>	<u>\$ 4,206,461</u>	<u>\$ 3,809,468</u>
47,699	41,385	33,331	31,489	456,898	442,647	(456,898)	(442,647)	-	-
-	-	-	-	933	928	(933)	(928)	-	-
<u>\$ 47,699</u>	<u>\$ 41,385</u>	<u>\$ 33,331</u>	<u>\$ 31,489</u>	<u>\$ 457,831</u>	<u>\$ 443,575</u>	<u>\$ (457,831)</u>	<u>\$ (443,575)</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	2,137	2,143	(2,137)	(2,143)	-	-
-	-	-	-	37,623	39,586	(37,623)	(39,586)	-	-
-	-	-	-	1,405	1,409	(1,405)	(1,409)	-	-
-	-	59,163	58,868	338,015	337,016	(338,015)	(337,016)	-	-
-	-	-	-	25,522	27,590	(25,522)	(27,590)	-	-
-	-	-	-	140,806	140,162	(140,806)	(140,162)	-	-
-	-	-	-	175,730	8,921	(175,730)	(8,921)	-	-
-	-	2,759	6,316	2,759	6,316	(2,759)	(6,316)	-	-
-	-	-	5,339	-	5,339	-	(5,339)	-	-
-	-	-	-	127,920	112,768	(127,920)	(112,768)	-	-
-	-	(9,090)	-	(67,517)	(61,850)	67,517	61,850	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,832</u>	<u>\$ 70,523</u>	<u>\$ 784,400</u>	<u>\$ 619,400</u>	<u>\$ (784,400)</u>	<u>\$ (619,400)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 61,566</u>	<u>\$ 54,678</u>	<u>\$ 98,025</u>	<u>\$ 114,401</u>	<u>\$ 1,349,757</u>	<u>\$ 1,173,111</u>				
						\$ 4,630,463	\$ 4,548,793	\$ 4,630,463	\$ 4,548,793
						278,852	278,148	278,852	278,148
						6,499	7,764	6,499	7,764
						310,383	305,375	310,383	305,375
						-	15,457	-	15,457
						21,947	21,833	21,947	21,833
						37,216	37,035	37,216	37,035
						(756,154)	(722,949)	(756,154)	(722,949)
						<u>\$ 4,529,206</u>	<u>\$ 4,491,456</u>	<u>\$ 4,529,206</u>	<u>\$ 4,491,456</u>

**APPROPRIATION FOR LIABILITIES - BY FUND  
JANUARY 1, 2017 AND 2016**

<b>CORPORATE FUND</b>	<b>2017</b>	<b>2016</b>
<b>Unpaid Bills:</b>		
Accrued Salaries & Wages	\$ 2,827,328	\$ 3,900,000
Personal Services - Other	-	-
Payroll Withholding & Miscellaneous	2,500,000	3,000,000
Contractual Services	18,045,000	26,528,000
Capital Projects	-	-
Materials & Supplies	-	-
Machinery & Equipment	-	-
Due to Corporate Working Cash Fund	180,000,000	190,000,000
Designated for Future Claims Liabilities	-	-
<b>Total Liabilities of Corporate Fund</b>	<b>\$ 203,372,328</b>	<b>\$ 223,428,000</b>
 <b>CONSTRUCTION FUND</b>		
<b>Unpaid Bills:</b>		
Contracts Payable	\$ 3,162,000	\$ 4,507,955
Contractual Services	-	400,145
Machinery & Equipment	297,100	445,000
Due to Construction Working Cash Fund	12,000,000	12,000,000
Designated for Future Claims Liabilities	-	-
<b>Total Liabilities of Construction Fund</b>	<b>\$ 15,459,100</b>	<b>\$ 17,353,100</b>
 <b>CAPITAL IMPROVEMENTS BOND FUND</b>		
<b>Unpaid Bills:</b>		
Contractual Services	\$ 73,761,112	\$ 77,693,900
Contracts Payable	833,423,020	578,213,065
<b>Total Liabilities of Capital Improvements Bond Fund</b>	<b>\$ 907,184,132</b>	<b>\$ 655,906,965</b>
 <b>RESERVE CLAIM FUND</b>		
Accounts Payable & Other Liabilities	\$ 400,000	\$ 200,000
 <b>BOND REDEMPTION &amp; INTEREST FUND</b>		
Future Payment of Principal & Interest	\$ 111,647,090	\$ 112,547,243
 <b>STORMWATER MANAGEMENT FUND</b>		
Accrued Salaries & Wages	\$ 632,368	\$ 200,000
Contracts Payable	6,406,300	9,776,446
Due to Stormwater Working Cash Fund	26,500,000	12,000,000
<b>Total Liabilities of Stormwater Management Fund</b>	<b>\$ 33,538,668</b>	<b>\$ 21,976,446</b>
 <b>TOTAL LIABILITIES JANUARY 1, 2017 AND 2016</b>	 <b>\$ 1,271,601,318</b>	 <b>\$ 1,031,411,754</b>

**STATEMENT OF TAXES RECEIVABLE FOR 2016 AND PRIOR YEARS AT JANUARY 1, 2017  
INCLUDING THE ESTIMATED COLLECTIONS FOR THE YEAR 2017**

YEAR FUND	TAX EXTENSION	COLLECTED THRU 12/31/16	%	UNCOLLECTED AT 12/31/16	RESERVE \$	%	ESTIMATED NET TAXES RECEIVABLE	CASH ESTIMATED IN 2017
<b>2016</b> Corporate	\$ 226,109,300	\$ -	0%	\$ 226,109,300	\$ 7,913,826	3.5%	\$ 218,195,475	\$ 220,456,568
Bond Redemption & Interest	229,912,562	-	0%	229,912,562	8,046,940	3.5%	221,865,622	224,164,748
Retirement	65,161,200	-	0%	65,161,200	2,280,642	3.5%	62,880,500	62,880,500
Construction	16,600,000	-	0%	16,600,000	581,000	3.5%	16,019,000	16,185,000
Stormwater Management	34,250,000	-	0%	34,250,000	1,198,750	3.5%	33,051,250	33,393,750
Reserve Claim	5,800,000	-	0%	5,800,000	203,000	3.5%	5,597,000	5,655,000
<b>Total</b>	<b>\$ 577,833,062</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ 577,833,062</b>	<b>\$ 20,224,158</b>	<b>3.5%</b>	<b>\$ 557,608,847</b>	<b>\$ 562,735,566</b>
<b>2015</b> Corporate	\$ 227,659,785	\$ 221,968,290	97.5%	\$ 5,691,495	\$ 7,968,092	3.5%	\$ -	\$ 2,504,258
Bond Redemption & Interest	224,487,727	218,875,534	97.5%	5,612,193	7,857,070	3.5%	-	2,469,365
Retirement	58,004,000	56,553,900	97.5%	1,450,100	2,030,140	3.5%	-	-
Construction	15,196,952	14,817,028	97.5%	379,924	531,893	3.5%	-	167,166
Stormwater Management	24,050,000	23,448,750	97.5%	601,250	841,750	3.5%	-	264,550
Reserve Claim	5,700,000	5,557,500	97.5%	142,500	199,500	3.5%	-	62,700
<b>Total</b>	<b>\$ 555,098,464</b>	<b>\$ 541,221,002</b>	<b>97.5%</b>	<b>\$ 13,877,462</b>	<b>\$ 19,428,445</b>	<b>3.5%</b>	<b>\$ -</b>	<b>\$ 5,468,039</b>
<b>2014</b> Corporate	\$ 230,415,559	\$ 227,189,741	98.6%	\$ 3,225,818	\$ 8,064,545	3.5%	\$ -	\$ (1,612,909)
Bond Redemption & Interest	218,319,348	215,262,877	98.6%	3,056,471	7,641,177	3.5%	-	(1,528,235)
Retirement	50,530,700	48,762,126	96.5%	1,768,574	1,768,575	3.5%	-	-
Construction	17,400,000	17,156,400	98.6%	243,600	609,000	3.5%	-	(121,800)
Stormwater Management	21,000,000	20,706,000	98.6%	294,000	735,000	3.5%	-	(147,000)
Reserve Claim	3,000,000	2,958,000	98.6%	42,000	105,000	3.5%	-	(21,000)
<b>Total</b>	<b>\$ 540,665,607</b>	<b>\$ 532,035,144</b>	<b>98.4%</b>	<b>\$ 8,630,463</b>	<b>\$ 18,923,297</b>	<b>3.5%</b>	<b>\$ -</b>	<b>\$ (3,430,944)</b>
<b>2013</b> Corporate	\$ 224,399,734	\$ 221,482,537	98.7%	\$ 2,917,197	\$ 7,853,991	3.5%	\$ -	\$ (1,570,798)
Bond Redemption & Interest	201,388,786	198,770,732	98.7%	2,618,054	7,048,608	3.5%	-	(1,409,722)
Retirement	51,620,700	49,813,976	96.5%	1,806,724	1,806,725	3.5%	-	-
Construction	11,079,300	10,935,269	98.7%	144,031	387,776	3.5%	-	(77,555)
Stormwater Management	20,000,000	19,740,000	98.7%	260,000	700,000	3.5%	-	(140,000)
Reserve Claim	6,170,977	6,090,754	98.7%	80,223	215,984	3.5%	-	(43,197)
<b>Total</b>	<b>\$ 514,659,497</b>	<b>\$ 506,833,268</b>	<b>98.5%</b>	<b>\$ 7,826,229</b>	<b>\$ 18,013,084</b>	<b>3.5%</b>	<b>\$ -</b>	<b>\$ (3,241,272)</b>
<b>2012</b> Corporate	\$ 237,247,822	\$ 232,265,618	97.9%	\$ 4,982,204	\$ 8,303,674	3.5%	\$ -	\$ (711,743)
Bond Redemption & Interest	180,747,560	176,951,861	97.9%	3,795,699	6,326,165	3.5%	-	(542,243)
Retirement	28,489,600	27,777,360	97.5%	712,240	997,136	3.5%	-	-
Construction	20,417,700	19,988,928	97.9%	428,772	714,620	3.5%	-	(61,253)
Stormwater Management	20,000,000	19,580,000	97.9%	420,000	700,000	3.5%	-	(60,000)
Reserve Claim	6,669,900	6,529,832	97.9%	140,068	233,447	3.5%	-	(20,010)
<b>Total</b>	<b>\$ 493,572,582</b>	<b>\$ 483,093,599</b>	<b>97.9%</b>	<b>\$ 10,478,983</b>	<b>\$ 17,275,042</b>	<b>3.5%</b>	<b>\$ -</b>	<b>\$ (1,395,249)</b>
<b>Prior Years'</b> Corporate								\$ (237,248)
<b>Levies</b> Bond Redemption & Interest								(180,748)
Retirement								-
Construction								(20,418)
Stormwater Management								(20,000)
Reserve Claim								(6,670)
<b>Total</b>								<b>\$ (465,084)</b>
<b>RECAPITULATION BY FUND</b>								
Corporate	\$ 1,145,832,200	\$ 902,906,186		\$ 242,926,014	\$ 40,104,128		\$ 218,195,475	\$ 218,828,128
Bond Redemption & Interest	1,054,855,983	809,861,004		244,994,979	36,919,960		221,865,622	222,973,165
Retirement	253,806,200	182,907,362		70,898,838	8,883,218		62,880,500	62,880,500
Construction	80,693,952	62,897,625		17,796,327	2,824,289		16,019,000	16,071,140
Stormwater Management	119,300,000	83,474,750		35,825,250	4,175,500		33,051,250	33,291,300
Reserve Claim	27,340,877	21,136,086		6,204,791	956,931		5,597,000	5,626,823
<b>Total</b>	<b>\$ 2,681,829,212</b>	<b>\$ 2,063,183,013</b>		<b>\$ 618,646,199</b>	<b>\$ 93,864,026</b>		<b>\$ 557,608,847</b>	<b>\$ 559,671,056</b>

**STATEMENT OF PERSONAL PROPERTY REPLACEMENT TAXES RECEIVABLE  
FOR 2017 AND PRIOR YEARS AT JANUARY 1, 2017  
INCLUDING THE ESTIMATED COLLECTIONS FOR THE YEAR 2017**

YEAR	FUND	RECEIVABLE	ACTUAL/ESTIMATED COLLECTED THROUGH 2016	CASH ESTIMATED IN 2017
2017	Corporate	\$ 18,164,000	\$ -	\$ -
	Retirement	18,736,200	-	-
	Construction	-	-	-
	Reserve Claim	-	-	-
	Corporate Working Cash	-	-	-
	Construction Working Cash	-	-	-
	Stormwater Working Cash	-	-	-
	Total	\$ 36,900,200	\$ -	\$ -
2016	Corporate	\$ 20,275,500	\$ -	\$ 17,675,500
	Retirement	16,624,500	-	16,624,500
	Construction	1,100,000	-	1,100,000
	Reserve Claim	-	-	-
	Corporate Working Cash	-	-	-
	Construction Working Cash	-	-	-
	Stormwater Working Cash	-	-	-
	Total	\$ 38,000,000	\$ -	\$ 35,400,000
2015	Corporate	\$ 23,101,600	\$ 23,101,600	\$ -
	Retirement	14,798,400	14,798,400	-
	Construction	-	-	-
	Reserve Claim	-	-	-
	Corporate Working Cash	-	-	-
	Construction Working Cash	-	-	-
	Stormwater Working Cash	-	-	-
	Total	\$ 37,900,000	\$ 37,900,000	\$ -
2014	Corporate	\$ 30,257,802	\$ 30,257,802	\$ -
	Retirement	12,891,900	12,891,900	-
	Construction	-	-	-
	Reserve Claim	-	-	-
	Corporate Working Cash	-	-	-
	Construction Working Cash	-	-	-
	Stormwater Working Cash	-	-	-
	Total	\$ 43,149,702	\$ 43,149,702	\$ -
2013	Corporate	\$ 27,830,000	\$ 27,830,000	\$ -
	Retirement	13,170,000	13,170,000	-
	Construction	-	-	-
	Reserve Claim	-	-	-
	Corporate Working Cash	-	-	-
	Construction Working Cash	-	-	-
	Stormwater Working Cash	-	-	-
	Total	\$ 41,000,000	\$ 41,000,000	\$ -
2012	Corporate	\$ 32,054,895	\$ 32,054,895	\$ -
	Retirement	7,268,500	7,268,500	-
	Construction	-	-	-
	Reserve Claim	-	-	-
	Corporate Working Cash	-	-	-
	Construction Working Cash	-	-	-
	Stormwater Working Cash	-	-	-
	Total	\$ 39,323,395	\$ 39,323,395	\$ -

## CORPORATE FUND FINANCIAL NARRATIVE

The Corporate Fund is the general fund of the District. It is used to account for the general operations and expenditures of the District. The 2017 appropriation is \$367.1 million, an increase of \$0.8 million, or 0.2 percent, from the 2016 Adjusted Budget.

Property taxes are the major source of revenue for the Corporate Fund. In 2016, the net property tax levy will provide 61.0 percent of the fund's revenue. The property tax levy proposed for 2017 is \$223.9 million, a decrease of \$2.2 million, or 1.0 percent, from the 2016 Adjusted Levy.

A fund balance within the \$44 to \$55 million range is viewed by District management and the financial markets as necessary to maintain financial stability and sustain us through economic uncertainties. This fund balance level is consistent with the level recommended by the Government Finance Officers Association. In order to ensure that an adequate fund balance is maintained, all net assets appropriable have not been reappropriated as revenue for the subsequent year. For 2017, a portion amounting to \$83.2 million of the projected net assets will remain unappropriated to provide for a fiscally responsible fund balance.

User charge revenue is estimated at \$47.0 million in 2017, a \$0.5 million decrease from the 2016 Adjusted Budget. While industries have made adjustments to reduce their loadings and associated expenses, current user charge rates continue to provide revenue paralleling the costs of treatment. The State economy significantly impacts the food processing and chemical industries, two major categories of user charge payers. The third major segment of user charge payers is government operated airports and water filtration facilities. The revenues from these sources are more affected by weather conditions than the general economy.

User charge rates and revenues parallel changes in operations and maintenance costs. User charge rates are based on United States Environmental Protection Agency-required review of the classes of users to ensure that each class pays its proportionate share of actual operations, maintenance, and replacement (OM&R) costs. Large commercial, industrial and tax-exempt users are charged fees based on the volume and strength of biochemical oxygen demand and suspended solids in their effluents, with credit given for the OM&R portion of any property taxes paid. The OM&R credit is adjusted for any users in tax increment financing districts to give credit only for property taxes actually received. Residential and small commercial/industrial classes pay only property taxes. This rate method ensures that the costs of providing service to these classes of users are fully recaptured. The user charge rate history appears in the Appendix.

Personal Property Replacement Tax (PPRT) revenue is primarily based on a corporate income tax. It is budgeted at \$18.2 million for 2017, a decrease of \$2.1million compared to the 2016 Budget. Due to an error in the State of Illinois' allocation calculation, the allocations will be decreased over the next two years for the recoupment period. Additionally, the PPRT is allocated first to the Retirement Fund to pay 20.9 percent of the Retirement Fund total levy.

In 2017, land rental revenue is budgeted at \$19.0 million, an increase of \$1.5 million from the 2016 Adjusted Budget. Real estate income for the District has trended upwards in recent years. Expiring leases are reviewed and necessary environmental or other types of property remediation are performed, when possible, well ahead of lease expiration to expedite re-leasing at current market rates. This process should result in increased revenues in the future.

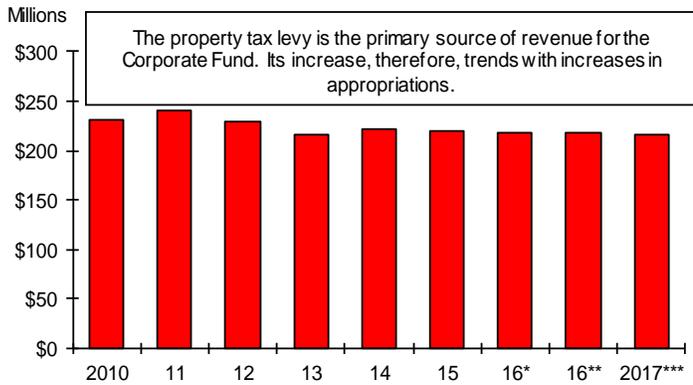
For 2017, a \$6 million equity transfer from the Capital Improvement Bond Fund's Build America Bonds subsidy will be used to supplement the Corporate Fund, as these subsidies can be used for any corporate purpose. Investment income is budgeted for 2017 at \$0.6 million, no change from the 2016 Adjusted Budget. The 2015 and 2014 actual amounts are \$0.8 and \$1.0 million, respectively. This level of income reflects relatively stable short-term interest rates and fund balances available for investment during the past several years.

The revenue estimate for sewer permit fees for 2016 is \$0.9 million. Actual 2016 revenues are projected to be \$1.1 million. The District is authorized to recover 100 percent of the sewer permit processing costs, and sewer permit fees are evaluated annually in light of this objective. Permits are required for new real estate development, and applications are expected to remain flat in 2017 due to the slow recovery in the area real estate market.

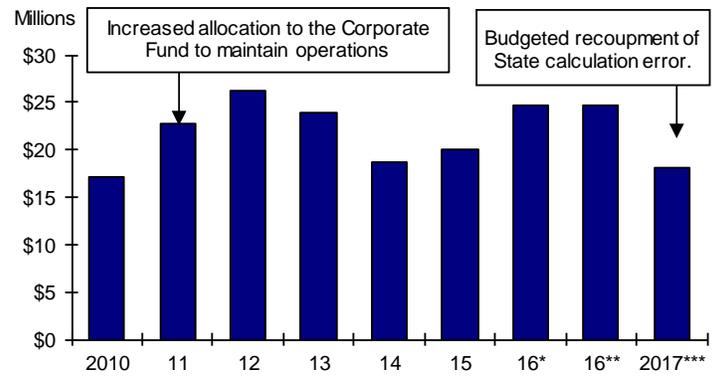
The Corporate Working Cash Fund is used to provide short-term financing to the Corporate Fund. As the property tax levy for one year is not collected until the next year, short-term financing of the current year tax levy is necessary. The District is authorized to sell Working Cash Bonds and is authorized to extend a property tax levy to meet these needs, but neither a tax levy nor bond sale is planned for 2017. State statute allows loans in the amount of 100 percent of the property tax levy plus personal property replacement tax receivables. The estimated amount the District will allocate as available for loan in 2017 is \$230.0 million, or 95 percent, of the maximum. Public Act 93-252 amended the District's Act to allow the Board of Commissioners, by a two-thirds vote, to transfer fund balances between its Working Cash Funds. The Board also has authority to transfer accumulated investment income between funds by a two-thirds vote.

**REVENUE - CORPORATE FUND (BUDGETARY BASIS)**

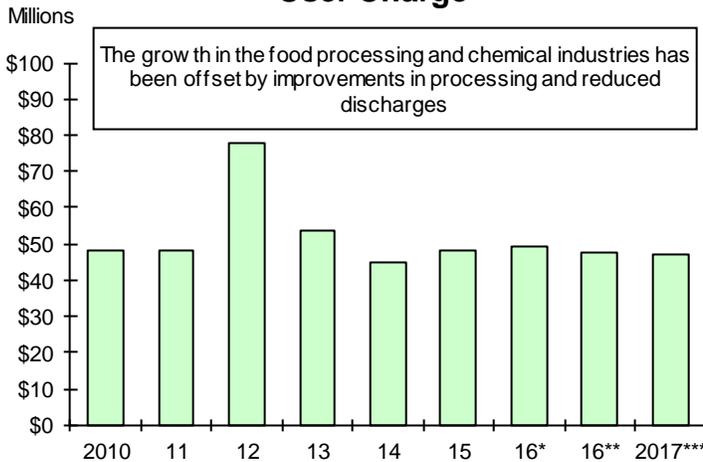
**Net Property Tax Levy**



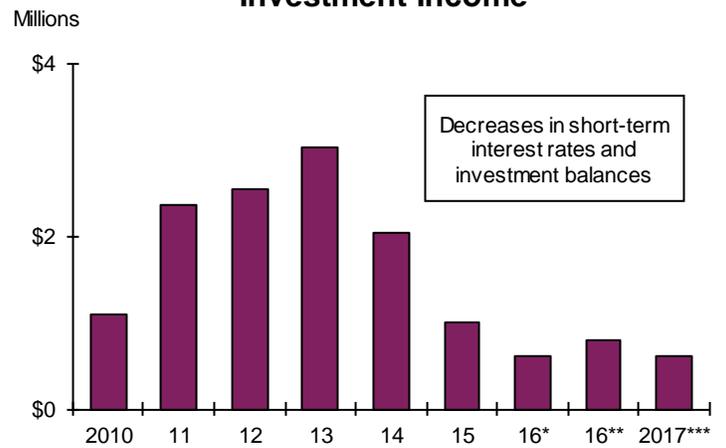
**Personal Property Replacement Tax**



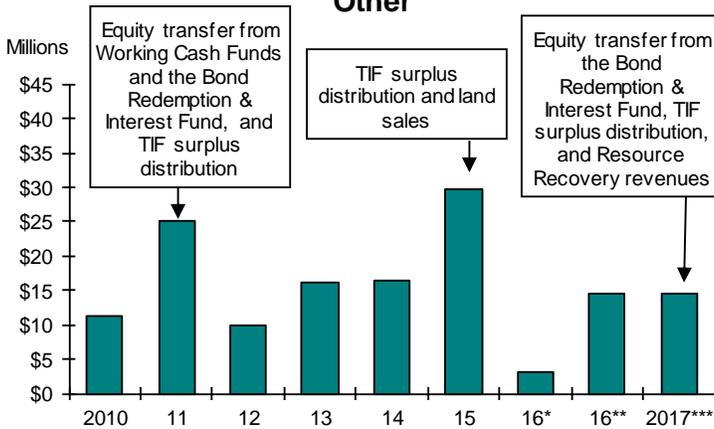
**User Charge**



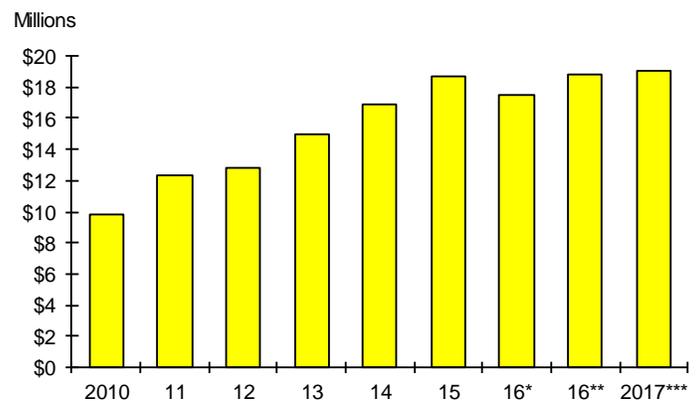
**Investment Income**



**Other**



**Land Rentals**



Note: Other includes sewer permit and permit services fees, land sales, agricultural product sales, Tax Increment Finance (TIF) district surplus distribution, and other small revenue sources.

Note: 2010 - 2015 actual  
 \* 2016 as budgeted  
 \*\* 2016 adjusted estimate  
 \*\*\* 2017 estimate

**CORPORATE FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016**

	<b>ASSETS</b>			
	<b>2017</b>		<b>2016</b>	
	<b>AMOUNT</b>	<b>AVAILABLE FOR APPROPRIATION</b>	<b>AMOUNT</b>	<b>AVAILABLE FOR APPROPRIATION</b>
<b>CURRENT ASSETS</b>				
Cash & Investments	\$ 100,200,000	\$ 100,200,000	\$ 129,640,100	\$ 129,640,100
Taxes Receivable	218,195,475	218,828,128	219,244,140	219,815,255
Replacement Tax	20,275,500	20,275,500	27,101,600	27,101,600
Due from Other Funds	-	-	200,000	200,000
<b>Total Current Assets</b>	<b>\$ 338,670,975</b>	<b>\$ 339,303,628</b>	<b>\$ 376,185,840</b>	<b>\$ 376,756,955</b>

<b>LIABILITIES &amp; FUND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Unpaid Bills:				
Accrued Salaries & Wages	\$ 2,827,328	\$ 2,827,328	\$ 3,900,000	\$ 3,900,000
Personal Services - Other	-	-	-	-
Payroll Withholding & Miscellaneous	2,500,000	2,500,000	3,000,000	3,000,000
Contractual Services	18,045,000	18,045,000	26,528,000	26,528,000
Materials & Supplies	-	-	-	-
Machinery & Equipment	-	-	-	-
Due to Corporate Working Cash Fund	180,000,000	180,000,000	190,000,000	190,000,000
<b>Total Current Liabilities</b>	<b>\$ 203,372,328</b>	<b>\$ 203,372,328</b>	<b>\$ 223,428,000</b>	<b>\$ 223,428,000</b>

**Total Liabilities & Designations** \$ 203,372,328 \$ 223,428,000

<b>ASSETS APPROPRIABLE FOR 2017 &amp; 2016</b>			
Net Assets Appropriable	\$ 135,931,300		\$ 153,328,955
Budget Reserve	\$ (83,162,300)		\$ (100,081,255)
Net Assets Appropriated	52,769,000		53,247,700
Equity Transfer	6,000,000		-
Estimated Revenue	308,293,000		313,013,000
<b>Total Assets Appropriable</b>	<b>\$ 367,062,000</b>		<b>\$ 366,260,700</b>

<b>FUND EQUITY</b>			
Undesignated	\$ 135,298,647		\$ 152,757,840
<b>Total Fund Equity</b>	<b>\$ 135,298,647</b>		<b>\$ 152,757,840</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 338,670,975</b>		<b>\$ 376,185,840</b>

**CORPORATE FUND**  
**APPROPRIABLE REVENUE**  
**2017 - 2014**

REVENUE DESCRIPTION	ESTIMATED			ACTUAL	
	2017 BUDGET	2016 ADJUSTED	2016 BUDGET	2015	2014
Revenue from Property Taxes					
Gross Tax Levy	\$ 223,946,065	\$ 226,109,300	\$ 226,109,300	\$ 227,196,000	\$ 230,000,000
Less Allowance for Uncollectible Taxes	(7,838,112)	(7,913,826)	(7,913,826)	(7,951,860)	(8,050,000)
Net Property Taxes	\$ 216,107,953	\$ 218,195,474	\$ 218,195,474	\$ 219,244,140	\$ 221,950,000
Revenue from Personal Property					
Replacement Tax	\$ 18,164,000	\$ 24,676,000	\$ 24,676,000	\$ 20,101,600	\$ 18,608,149
Net Tax Sources	\$ 234,271,953	\$ 242,871,474	\$ 242,871,474	\$ 239,345,740	\$ 240,558,149
Adjustment to match working cash borrowings	(4,271,953)	(4,671,474)	(4,671,474)	(4,445,740)	(4,358,149)
Working Cash Financing at 95% of Gross Tax Sources	\$ 230,000,000	\$ 238,200,000	\$ 238,200,000	\$ 234,900,000	\$ 236,200,000
Investment Income	\$ 600,000	\$ 793,000	\$ 600,000	\$ 1,003,361	\$ 2,030,933
Land Rentals	19,000,000	18,800,000	17,500,000	18,731,872	16,933,079
Sewer Permit Fees	900,000	1,099,787	750,000	1,078,886	940,228
Sewer Service Agreement Revenue	1,500,000	1,600,000	1,400,000	1,507,667	1,443,450
User Charge	47,000,000	47,500,000	49,000,000	48,176,512	44,664,848
Resource Recovery	4,000,000	-	-	-	-
Lockport Electricity Generation	1,000,000	1,165,000	1,000,000	1,236,698	1,395,547
Miscellaneous (details below)	4,293,000	11,041,424	4,563,000	12,624,456	7,642,040
Subtotal	\$ 78,293,000	\$ 81,999,211	\$ 74,813,000	\$ 84,359,452	\$ 75,050,125
Adjustment to Net Assets Available for Projected Receipts	-	4,305,586	-	17,607,678	9,432,662
Equity Transfer	6,000,000	-	-	-	-
<b>GRAND TOTAL</b>	<b>\$ 314,293,000</b>	<b>\$ 324,504,797</b>	<b>\$ 313,013,000</b>	<b>\$ 336,867,130</b>	<b>\$ 320,682,787</b>
<b>Components of Miscellaneous</b>					
TIF Surplus Distribution	\$ 3,000,000	\$ 8,155,324	\$ 2,020,000	\$ 5,943,460	\$ 4,170,246
TIF Differential Fee	225,000	225,000	225,000	225,000	225,000
Land Sales	-	1,281,000	1,250,000	3,164,016	8,031
Claims & Damage Settlements	-	-	-	55,090	125,729
Water Sales	-	-	-	3,357	13,821
Scrap Sales	50,000	60,000	50,000	137,817	97,907
Sales of Automobiles	15,000	17,000	15,000	72,855	107,554
Interest on Taxes - Cook County Treasurer	3,000	3,100	3,000	3,637	5,425
Other	1,000,000	1,300,000	1,000,000	3,019,224	2,888,327
<b>Total</b>	<b>\$ 4,293,000</b>	<b>\$ 11,041,424</b>	<b>\$ 4,563,000</b>	<b>\$ 12,624,456</b>	<b>\$ 7,642,040</b>

**CORPORATE FUND  
FINANCING  
2017 - 2012**

	<u>ESTIMATED</u>			<u>ACTUAL</u>			
	<u>2017 (1)</u>	<u>2016 REVISED</u>	<u>2016 ORIGINAL</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>BORROWINGS</u></b>							
Working Cash Loans Current Year	\$ 230,000,000	\$ 190,000,000	\$ 238,200,000	\$ 190,000,000	\$ 236,200,000	\$ 190,000,000	\$ 190,000,000
Working Cash Loans Prior Year	-	-	-	-	-	-	-
<b>Total Borrowings</b>	<b>\$ 230,000,000</b>	<b>\$ 190,000,000</b>	<b>\$ 238,200,000</b>	<b>\$ 190,000,000</b>	<b>\$ 236,200,000</b>	<b>\$ 190,000,000</b>	<b>\$ 190,000,000</b>
<b><u>REPAYMENTS</u></b>							
Working Cash Loans Repaid Current	\$ 190,000,000	\$ 190,000,000	\$ 190,000,000	\$ 190,000,000	\$ 190,000,000	\$ 190,000,000	\$ 257,600,000
Working Cash Loans Repaid Prior	-	-	-	-	-	-	-
<b>Total Repayments</b>	<b>\$ 190,000,000</b>	<b>\$ 190,000,000</b>	<b>\$ 190,000,000</b>	<b>\$ 190,000,000</b>	<b>\$ 190,000,000</b>	<b>\$ 190,000,000</b>	<b>\$ 257,600,000</b>

**(1) FINANCING LIMITATION**

	<b>2017</b> (In Millions)
Property Tax Levy	\$ 223.9
Personal Property Replacement Tax	18.2
Total	<u>\$ 242.1</u>
* Borrowing Limitation	95.0 %
Total Available for Financing	<u>\$ 230.0</u>

\* Statutory limitation is 100%

**CORPORATE WORKING CASH FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016  
AND ESTIMATED AMOUNTS AVAILABLE FOR 2017 AND 2016**

<b>CURRENT ASSETS</b>	<b>ASSETS</b>		<b>2016</b>	
	<b>2017</b>		<b>AMOUNT</b>	<b>AVAILABLE FOR</b>
	<b>AMOUNT</b>	<b>AVAILABLE FOR</b>		<b>APPROPRIATION</b>
		<b>APPROPRIATION</b>		
Cash & Investments	\$ 88,790,821	\$ 88,790,821	\$ 88,058,394	\$ 88,058,394
Replacement Tax	-	-	-	-
Due from Corporate Fund	190,000,000	190,000,000	190,000,000	190,000,000
<b>Total Current Assets</b>	<b>\$ 278,790,821</b>	<b>\$ 278,790,821</b>	<b>\$ 278,058,394</b>	<b>\$ 278,058,394</b>

<b>FUND EQUITY</b>			
Estimated Revenue & Other Financing Sources	\$ 300,000		\$ 900,000
<b>ASSETS AVAILABLE FOR 2017 AND 2016</b>	<b>\$ 279,090,821</b>		<b>\$ 278,958,394</b>
<b>FUND EQUITY</b>	<b>\$ 278,790,821</b>		<b>\$ 278,058,394</b>

**CORPORATE WORKING CASH FUND  
REVENUES  
2017 - 2014**

<b>REVENUE DESCRIPTION</b>	<b>ESTIMATED</b>			<b>ACTUAL</b>	
	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>BUDGET</b>	<b>ADJUSTED</b>	<b>BUDGET</b>		
Revenue from Money & Property					
Investment Income	\$ 300,000	\$ 513,000	\$ 900,000	\$ 832,380	\$ 834,350
Revenue from Miscellaneous Sources	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 300,000</b>	<b>\$ 513,000</b>	<b>\$ 900,000</b>	<b>\$ 832,380</b>	<b>\$ 834,350</b>

## CAPITAL FUNDS FINANCIAL NARRATIVE

The Capital Funds of the District are the Capital Improvements Bond Fund (CIBF) and the Construction Fund. These funds are used to account for the acquisition of capital facilities and other capital assets. The District's major functions of sewage collection and treatment, solids processing, solids utilization, flood control, and stormwater management are capital intensive, requiring significant investments in infrastructure. The national priority of environmental protection, coupled with the District's prime mission of protecting the Lake Michigan drinking water supply from pollution, drives the capital program for the District. Funding for the national, state, and local priorities that drive the District's program is provided by bonds, grants, and other financial assistance available to the District.

The CIBF is used to provide resources from grants, bonds, and other sources to design and construct major capital facilities that are structures of permanent duration. The 2017 appropriation is \$348.0 million, a decrease of \$135.7 million from the 2016 Adjusted Budget, or 28.1 percent. The appropriation varies by the scheduled awards of major projects.

The CIBF balance sheet (page 90) estimates the net assets appropriable for 2017 at (\$617.9) million and (\$395.5) million for 2016. The CIBF balance sheet estimated negative net assets appropriable for 2017 and 2016 are a result of accounting for the full value of the contract awards as a liability, without recognizing the bonds to be sold during the course of the projects to meet financial needs. An obligation basis of budgetary accounting is used for this fund. Liabilities are recognized as the total value of all project awards at the time of award, even though cash disbursements are made over several future years.

Since 1969, the District has issued approximately \$6.0 billion in bonds in order to support its capital program. The District is authorized to issue \$150.0 million in nonreferendum Capital Improvements Bonds in any one year, plus amounts unissued from the prior three years. Bonds for State Revolving Fund loans are excluded. The District's nonreferendum bonding authority was extended to 2024 by state statute, effective January 1, 2011, and the annual debt issuance authorization was increased from \$100.0 million to \$150.0 million in 2003. This level of authority allows the District to proceed with the award of multi-year contracts, then sell bonds as cash flow requirements demand during the course of the project. The Five-Year Financial Forecast on pages 55 - 67 presents detailed projections of the financial aspects of the capital program into the future.

Property tax limitation laws enacted in Illinois had significant impacts on the future funding of the District's capital program through bond sales. Under Public Act 89-1, the District's nonreferendum bonding authority was restricted to finance only projects initiated prior to October 1, 1991, which generally covers only Tunnel and Reservoir Plan (TARP) projects. However, Public Acts 89-385 and 90-485 provided additional nonreferendum authority to the District by authorizing the issuance of "limited tax bonds." Limited bonds can be issued to the extent that any new debt when combined with existing debt service does not exceed the debt service extension base established by these Acts, which for the District is \$141.5 million. However, it was limited to the District's 1994 debt service level of \$141,463,920 and amended by Public Act 96-0501 to allow for an annual increase equal to the consumer price index or five percent, whichever is less, and is currently estimated at \$159.3 million for the 2016 levy year and \$160.9 million for the 2017 levy year. These "limited tax bonds" allow the District to issue nonreferendum debt for projects initiated after October 1, 1991 and exclude debt associated with the TARP program and other projects initiated prior to that date from the extension base. There will be sufficient authorization to issue bonds to meet our capital program for the next few years.

The State of Illinois Revolving Loan Fund (SRF) provides low-interest loans to finance qualifying projects. Upon project completion, District bonds are issued at the same low-interest rate. The current interest rate for new loans to the District is 1.75 percent. Several projects are currently financed through SRF loans. The District expects to receive an allocation of at least \$200.0 million annually from SRF loans for the next several years. For 2017, \$180.0 million in SRF revenue is budgeted to fund plant projects.

For 2017, approximately \$11.2 million of Build America Bonds (BABs) subsidy is available to be used for capital projects in the Capital Improvement Bond Fund. In addition, \$7 million from the BABs subsidy will be transferred to the Construction Fund to fund capital projects. The District has been very successful in obtaining grant funding in the past, and future grants or appropriations are being pursued for the TARP program at the federal level through the Energy and Water Development Appropriations and the Water Resources Development Act.

The Construction Fund is a property tax supported fund designed to provide resources for capital projects for which long-term bond funding is not desirable or is not available. This fund is intended for pay-as-you-go capital projects to perform major rehabilitation of facilities, extending their useful life, and to acquire other capital assets. The funding mechanism for this is a working cash fund that provides loans in anticipation of tax collections. The liabilities for contracts not completed during a fiscal year are reappropriated in the next year. Net assets appropriable, therefore, fluctuate based on the value of contract liabilities carried forward to the next year.

The 2017 tax levy for the Construction Fund is \$17.0 million, an increase of \$3.7 million, or 28.0 percent, from the 2016 Adjusted Budget. The 2017 appropriation is \$33.9 million, a decrease of \$2.7 million, or 7.5 percent, from the 2016 Adjusted Budget. This decreased appropriation level reflects the anticipated expenditures for existing projects and the appropriations required to fund projects with 2017 award dates.

**CAPITAL IMPROVEMENTS BOND FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016**

	<u>ASSETS</u>		<u>2016</u>	
	<u>2017</u>			
	<u>AMOUNT</u>	<u>AVAILABLE FOR APPROPRIATION</u>	<u>AMOUNT</u>	<u>AVAILABLE FOR APPROPRIATION</u>
<b>CURRENT ASSETS</b>				
Cash & Investments	\$ 138,400,400	\$ 138,400,400	\$ 108,774,219	\$ 108,774,219
Grants Receivable	932,932	932,932	-	-
State Revolving Fund Loans Receivable	150,000,000	150,000,000	151,640,631	151,640,631
<b>Total Current Assets</b>	<b>\$ 289,333,332</b>	<b>\$ 289,333,332</b>	<b>\$ 260,414,850</b>	<b>\$ 260,414,850</b>
 <b>LIABILITIES &amp; FUND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Unpaid Bills:				
Contractual Services	\$ 73,761,112	\$ 73,761,112	\$ 77,693,900	\$ 77,693,900
Contracts Payable	833,423,020	833,423,020	578,213,065	578,213,065
<b>Total Current Liabilities</b>	<b>\$ 907,184,132</b>	<b>\$ 907,184,132</b>	<b>\$ 655,906,965</b>	<b>\$ 655,906,965</b>
Designated for Future Claims Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 907,184,132</b>	<b>\$ 907,184,132</b>	<b>\$ 655,906,965</b>	<b>\$ 655,906,965</b>
 <b>ASSETS APPROPRIABLE</b>				
Net Assets Appropriable		\$ (617,850,800)		\$ (395,492,115)
Net Assets Appropriated		(617,850,800)		(395,492,115)
Equity Transfer		(13,000,000)		-
Estimated Revenue		978,888,000		879,256,915
<b>Total Assets Appropriable</b>		<b>\$ 348,037,200</b>		<b>\$ 483,764,800</b>
<b>FUND EQUITY</b>	\$ (617,850,800)		\$ (395,492,115)	
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 289,333,332</b>		<b>\$ 260,414,850</b>	

**CAPITAL IMPROVEMENTS BOND FUND  
 APPROPRIABLE REVENUE  
 2017 - 2014**

<u>REVENUE DESCRIPTION</u>	<u>ESTIMATED</u>			<u>ACTUAL</u>	
	<u>2017 BUDGET</u>	<u>2016 ADJUSTED</u>	<u>2016 BUDGET</u>	<u>2015</u>	<u>2014</u>
Revenue from Money & Property					
Bond Sales (Present & Future)	\$ 784,752,876	\$ 125,003,513	\$ 786,521,791	\$ -	\$ -
Investment Income	3,000,000	1,905,000	1,600,000	2,278,586	2,694,091
<b>Subtotal</b>	<b>\$ 787,752,876</b>	<b>\$ 126,908,513</b>	<b>\$ 788,121,791</b>	<b>\$ 2,278,586</b>	<b>\$ 2,694,091</b>
Revenue from Miscellaneous Sources					
Federal & State Grants	\$ 11,135,124	\$ 11,195,184	\$ 11,135,124	\$ 11,165,154	\$ -
State Revolving Fund Loans	180,000,000	98,982,000	80,000,000	180,840,600	76,356,100
Miscellaneous	-	2,223,379	-	2,481,873	2,532,064
<b>Subtotal</b>	<b>\$ 191,135,124</b>	<b>\$ 112,400,563</b>	<b>\$ 91,135,124</b>	<b>\$ 194,487,627</b>	<b>\$ 78,888,164</b>
<b>Total Revenue</b>	<b>\$ 978,888,000</b>	<b>\$ 239,309,076</b>	<b>\$ 879,256,915</b>	<b>\$ 196,766,213</b>	<b>\$ 81,582,255</b>
Other Financing Sources (Uses)					
Equity Transfer	\$ (13,000,000)	\$ -	\$ -	\$ -	\$ (8,000,000)
<b>GRAND TOTAL</b>	<b>\$ 965,888,000</b>	<b>\$ 239,309,076</b>	<b>\$ 879,256,915</b>	<b>\$ 196,766,213</b>	<b>\$ 73,582,255</b>

**CONSTRUCTION FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016**

		<u>ASSETS</u>			
		<u>2017</u>		<u>2016</u>	
<u>CURRENT ASSETS</u>		<u>AMOUNT</u>	<u>AVAILABLE FOR APPROPRIATION</u>	<u>AMOUNT</u>	<u>AVAILABLE FOR APPROPRIATION</u>
Cash & Investments	\$	9,195,860	\$ 9,195,860	\$ 20,171,355	\$ 20,171,355
Taxes Receivable		16,019,000	16,071,140	15,922,500	16,051,145
Replacement Tax		-	-	-	-
<b>Total Current Assets</b>	<b>\$</b>	<b><u>25,214,860</u></b>	<b><u>\$ 25,267,000</u></b>	<b><u>36,093,855</u></b>	<b><u>\$ 36,222,500</u></b>
 <u>LIABILITIES &amp; FUND EQUITY</u>					
<u>CURRENT LIABILITIES</u>					
Unpaid Bills:					
Contracts Payable	\$	3,162,000	\$ 3,162,000	\$ 4,507,955	\$ 4,507,955
Contractual Services		-	-	400,145	400,145
Machinery & Equipment		297,100	297,100	-	-
Due to:					
Construction Working Cash Fund		12,000,000	12,000,000	12,000,000	12,000,000
<b>Total Current Liabilities</b>	<b>\$</b>	<b><u>15,459,100</u></b>	<b><u>\$ 15,459,100</u></b>	<b><u>16,908,100</u></b>	<b><u>\$ 16,908,100</u></b>
Designated for Future Claims Liabilities			\$ -		\$ -
<b>Total Current Liabilities and Designations</b>			<b><u>\$ 15,459,100</u></b>		<b><u>\$ 16,908,100</u></b>
 <u>ASSETS APPROPRIABLE FOR 2017 AND 2016</u>					
Net Assets Appropriable			\$ <u>9,807,900</u>		\$ <u>19,314,400</u>
Net Assets Appropriated			\$ 9,807,900		\$ 19,314,400
Equity Transfer			7,000,000		-
Estimated Revenue			<u>17,045,000</u>		<u>17,745,000</u>
<b>Total Assets Appropriable</b>	<b>\$</b>		<b><u>33,852,900</u></b>		<b><u>\$ 37,059,400</u></b>
 <u>FUND EQUITY</u>					
Designated for Future Claims Liabilities	\$	-		\$ -	
Undesignated		<u>9,755,760</u>		<u>19,185,755</u>	
<b>Total Fund Equity</b>	<b>\$</b>	<b><u>9,755,760</u></b>		<b><u>\$ 19,185,755</u></b>	
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$</b>	<b><u>25,214,860</u></b>		<b><u>36,093,855</u></b>	

**CONSTRUCTION FUND FINANCING  
2017 - 2012**

	ESTIMATED			ACTUAL			
	2017 (1)	2016 REVISED	2016 ORIGINAL	2015	2014	2013	2012
<b>BORROWINGS</b>							
Working Cash Loans	\$ 16,200,000	\$ 16,800,000	\$ 16,800,000	\$ 12,000,000	\$ 10,000,000	\$ 7,000,000	\$ 13,200,000
<b>Total Borrowings</b>	<b>\$ 16,200,000</b>	<b>\$ 16,800,000</b>	<b>\$ 16,800,000</b>	<b>\$ 12,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 13,200,000</b>
<b>REPAYMENTS</b>							
Working Cash Loans Repaid							
- Current	\$ 16,800,000	\$ 12,000,000	\$ 12,000,000	\$ 10,000,000	\$ 7,000,000	\$ 13,200,000	\$ 2,950,485
- Prior Year	-	-	-	-	-	-	3,049,515
<b>Total Repayments</b>	<b>\$ 16,800,000</b>	<b>\$ 12,000,000</b>	<b>\$ 12,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 7,000,000</b>	<b>\$ 13,200,000</b>	<b>\$ 6,000,000</b>

**(1) FINANCING LIMITATION**

(In Millions)

Property Tax Levy	\$ 17.0
Personal Property Replacement Tax	-
<b>Total</b>	<b>\$ 17.0</b>
Borrowing Limitation *	95% * Statutory limitation is 100%
<b>Total Available for Financing</b>	<b>\$ 16.2</b>

**CONSTRUCTION FUND  
APPROPRIABLE REVENUE  
2017 - 2014**

REVENUE DESCRIPTION	ESTIMATED			ACTUAL	
	2017 BUDGET	2016 ADJUSTED	2016 BUDGET	2015	2014
Revenue from Property Taxes					
Gross Tax Levy	\$ 17,000,000	\$ 16,600,000	\$ 16,600,000	\$ 16,500,000	\$ 17,400,000
Less: Allowance for Uncollectible Taxes	(595,000)	(581,000)	(581,000)	(577,500)	(609,000)
<b>Net Property Taxes</b>	<b>\$ 16,405,000</b>	<b>\$ 16,019,000</b>	<b>\$ 16,019,000</b>	<b>\$ 15,922,500</b>	<b>\$ 16,791,000</b>
Revenue from Personal Property Replacement Tax					
	-	1,100,000	1,100,000	-	-
<b>Net Tax Sources</b>	<b>\$ 16,405,000</b>	<b>\$ 17,119,000</b>	<b>\$ 17,119,000</b>	<b>\$ 15,922,500</b>	<b>\$ 16,791,000</b>
Adjustment to Match Working Cash Borrowings	(205,000)	(319,000)	(319,000)	(622,500)	(791,000)
Working Cash Financing (Maximum 95% of Gross Tax Sources)	16,200,000	16,800,000	16,800,000	15,300,000	16,000,000
Revenue from Current Services					
Connection Impact Fees	745,000	745,000	745,000	745,500	745,500
Revenue from Money & Property					
Investment Income	100,000	156,752	200,000	280,695	388,074
Miscellaneous	-	43,854	-	504,687	821
User Charge	-	-	-	300,000	300,000
Equity Transfer from the Bond Redemp. & Interest Fund	7,000,000	-	-	-	-
<b>Subtotal</b>	<b>\$ 7,845,000</b>	<b>\$ 945,606</b>	<b>\$ 945,000</b>	<b>\$ 1,830,882</b>	<b>\$ 1,434,395</b>
Adjustment to Net Assets Available for Projected Receipts	-	791,433	-	575,933	229,347
<b>Total</b>	<b>\$ 24,045,000</b>	<b>\$ 18,537,039</b>	<b>\$ 17,745,000</b>	<b>\$ 17,706,815</b>	<b>\$ 17,663,742</b>

**CONSTRUCTION WORKING CASH FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016  
AND ESTIMATED AMOUNTS AVAILABLE FOR 2017 AND 2016**

	<u>ASSETS</u>			
	<u>AMOUNT</u>	<u>2017</u> <u>AVAILABLE FOR</u> <u>APPROPRIATION</u>	<u>AMOUNT</u>	<u>2016</u> <u>AVAILABLE FOR</u> <u>APPROPRIATION</u>
<b>CURRENT ASSETS</b>				
Cash & Investments	\$ 10,126,091	\$ 10,126,091	\$ 9,912,234	\$ 9,912,234
Taxes Receivable	-	-	-	-
Replacement Tax	-	-	-	-
Due to Corporate Fund	-	-	-	-
Due from Construction Fund	10,000,000	10,000,000	10,000,000	10,000,000
<b>Total Current Assets</b>	<u>\$ 20,126,091</u>	<u>\$ 20,126,091</u>	<u>\$ 19,912,234</u>	<u>\$ 19,912,234</u>

<u>FUND EQUITY</u>			
Estimated Revenue & Other Financing Sources		\$ 100,000	\$ 100,000
<b>ASSETS AVAILABLE FOR 2017 AND 2016</b>		<u>\$ 20,226,091</u>	<u>\$ 20,012,234</u>
<b>FUND EQUITY</b>		<u>\$ 20,126,091</u>	<u>\$ 19,912,234</u>

**CONSTRUCTION WORKING CASH FUND  
REVENUES  
2017 - 2014**

<u>REVENUE DESCRIPTION</u>	<u>ESTIMATED</u>			<u>ACTUAL</u>	
	<u>2017</u> <u>BUDGET</u>	<u>2016</u> <u>ADJUSTED</u>	<u>2016</u> <u>BUDGET</u>	<u>2015</u>	<u>2014</u>
Revenue from Money & Property					
Investment Income	\$ 100,000	\$ 126,000	\$ 100,000	\$ 128,937	\$ 147,239
Revenue from Miscellaneous Sources	-	-	-	-	-
<b>TOTAL</b>	<u>\$ 100,000</u>	<u>\$ 126,000</u>	<u>\$ 100,000</u>	<u>\$ 128,937</u>	<u>\$ 147,239</u>

## OTHER FUNDS FINANCIAL NARRATIVE

**The Stormwater Management Fund** was established by Public Act 93-1049 on January 1, 2005. This fund accounts for tax levies and other revenue to be used for stormwater management activities throughout all of Cook County. The 2017 property tax levy for the Stormwater Management Fund is \$40.9 million, an increase of \$6.6 million, or 19.3 percent from the 2016 Adjusted Budget. During 2005, Public Act 94-474 authorized the creation and use of a Stormwater Working Cash Fund for the sole purpose of providing temporary loans to the Stormwater Management Fund in anticipation of tax collections. Details of this fund's purpose and \$45.0 million appropriation for 2017 are presented on pages 465 - 522.

**The Reserve Claim Fund** is the District's self-insurance fund, and is financed through an annual property tax levy of one-half cent (0.5¢) per \$100 of the last known equalized assessed valuation (EAV). This one-half cent tax rate is the maximum allowed by state statute. It is Board policy to levy the maximum whenever possible. For 2017, \$5.9 million is budgeted. The available fund balance and amount available for appropriation for the Reserve Claim Fund are based on the net impact of current revenues and current expenditures.

The 2017 appropriation for this fund is \$30.6 million, a decrease of \$0.4 million, or 1.5 percent, from the 2016 Adjusted Budget. The maximum fund balance that can be accumulated is 0.05 percent of the last known EAV. For the 2017 Budget, using the last known EAV of 2015, the maximum accumulation is estimated at \$65.2 million. The allowance for accounts payable and estimated liabilities is estimated at \$0.4 million.

The financial status of this fund is closely monitored. Administrative risk management programs in the Claims and Safety areas are in place to help control the rate of growth for the employee disability component. A detailed presentation of this fund begins on page 523.

**The Bond Redemption & Interest (B&I) Fund** is a series of subfunds that account for the property tax levies and other revenues received to pay for the principal and interest of bonds issued by the District. The property tax levies for outstanding bond issues are collected and paid through this fund. The 2017 property tax levy for the B&I Fund is \$233.9 million, an increase of \$6.9 million, or 3.0 percent, from the 2016 Adjusted Budget. Appropriations and tax levies are adjusted for new bond sales or state revolving fund loans. The 2017 appropriation for this fund is \$227.8 million, which is an increase of \$11.7 million, or 5.4 percent, from the 2016 Adjusted Budget. As part of the 2016 Bond sale, the District was able to take advantage of lower interest rates by issuing refunding bonds, achieving savings that will result in savings of \$120 million in debt service payments.

Property tax levy collections are invested prior to the time when actual principal and interest payments must be made. Investment income earned on tax collections is credited to the specific sub-funds for each bond issue. The amount of estimated investment income for 2017 is \$0.4 million, which is a decrease of \$0.3 million from the 2016 Adjusted Budget. Whenever possible, excess investment income will be used to abate a portion of the levy. A detailed presentation on the B&I Fund is found on pages 525 - 528.

**The Retirement Fund** receives the proceeds of the annual tax levy that the District extends on behalf of the Metropolitan Water Reclamation District Retirement Fund, a pension trust fund. The amounts, as certified by the Retirement Fund Board, are levied by the District and appropriated when received. The property tax levy for 2017 is \$73.5 million compared to the 2016 Adjusted Levy of \$65.2 million and is based on a statutory multiplier of employee contributions made in 2015 and 2014, respectively. On August 3, 2012, the Governor signed Public Act 97-0894, which establishes that beginning in 2013, the tax levy will be based on the fund's actuarially determined contribution requirement but shall not exceed an amount equal to employee contributions two years prior multiplied by 4.19. The previous statutory multiplier was 2.19. The appropriable resources and appropriation consist of the collection of the previous year's property tax levy plus personal property replacement tax receipts.

The 2017 appropriation is \$79.5 million, an increase of \$8.7 million, or 12.3 percent, from the 2016 Adjusted Budget.

The District's Retirement Fund is part of the aggregate levy under the Tax Cap law that is limited to annual increases of 5.0 percent or the CPI, whichever is less. Due to the irregular nature of levy requirements of the fund which parallel retirements, the District's Board of Commissioners established a policy in 1995 to exclude the Retirement Fund levy from any future adjustments to the aggregate levy required by tax caps. When required, adjustments or limitations have been made to other funds subject to the aggregate levy limit. An expanded presentation on the Retirement Fund is made on pages 529 and 530.

**STORMWATER MANAGEMENT FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016**

	<u>ASSETS</u>			
	<u>2017</u>		<u>2016</u>	
	AMOUNT	AVAILABLE FOR APPROPRIATION	AMOUNT	AVAILABLE FOR APPROPRIATION
<b>CURRENT ASSETS</b>				
Cash & Investments	\$ 6,444,468	\$ 6,444,468	\$ 6,373,896	\$ 6,373,896
Taxes Receivable	33,051,250	33,291,300	23,208,250	23,303,350
<b>Total Current Assets</b>	<b>\$ 39,495,718</b>	<b>\$ 39,735,768</b>	<b>\$ 29,582,146</b>	<b>\$ 29,677,246</b>
	<u>LIABILITIES &amp; FUND EQUITY</u>			
<b>CURRENT LIABILITIES</b>				
Unpaid Bills:				
Accrued Salaries & Wages	\$ 632,368	\$ 632,368	\$ 200,000	\$ 200,000
Contracts Payable	6,406,300	6,406,300	9,776,446	9,776,446
Personal Services	-	-	-	-
Contractual Services	-	-	-	-
Materials & Supplies	-	-	-	-
Machinery & Equipment	-	-	-	-
Due to:				
Stormwater Working Cash Fund	26,500,000	26,500,000	12,000,000	12,000,000
<b>Total Current Liabilities</b>	<b>\$ 33,538,668</b>	<b>\$ 33,538,668</b>	<b>\$ 21,976,446</b>	<b>\$ 21,976,446</b>
Designated for Future Claims Liabilities		\$ -		\$ -
<b>Total Current Liabilities and Designations</b>		<b>\$ 33,538,668</b>		<b>\$ 21,976,446</b>
<b>ASSETS APPROPRIABLE FOR 2017 AND 2016</b>				
Net Assets Appropriable		\$ 6,197,100		\$ 7,700,800
Net Assets Appropriated		\$ 427,850		\$ 4,428,100
Equity Transfer to Bond and Interest Fund		5,769,250		3,272,700
Estimated Revenue		38,800,000		32,800,000
<b>Total Assets Appropriable</b>		<b>\$ 44,997,100</b>		<b>\$ 40,500,800</b>
<b>FUND EQUITY</b>	<b>\$ 5,957,050</b>		<b>\$ 7,605,700</b>	
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 39,495,718</b>		<b>\$ 29,582,146</b>	

## STORMWATER MANAGEMENT FUND FINANCING 2017 - 2012

	ESTIMATED			ACTUAL			
	2017 (1)	2016 Revised	2016 Original	2015	2014	2013	2012
<b>BORROWINGS</b>							
Working Cash Loans	\$ 38,800,000	\$ 26,500,000	\$ 32,500,000	\$ 12,000,000	\$ 20,000,000	\$ 19,000,000	\$ 19,000,000
<b>Total Borrowings</b>	<b>\$ 38,800,000</b>	<b>\$ 26,500,000</b>	<b>\$ 32,500,000</b>	<b>\$ 12,000,000</b>	<b>\$ 20,000,000</b>	<b>\$ 19,000,000</b>	<b>\$ 19,000,000</b>
<b>REPAYMENTS</b>							
Working Cash Loans Repaid							
- Current	\$ 26,500,000	\$ 12,000,000	\$ 12,000,000	\$ 20,000,000	\$ 19,000,000	\$ 19,000,000	\$ 22,900,000
- Prior Year	-	-	-	-	-	-	-
<b>Total Repayments</b>	<b>\$ 26,500,000</b>	<b>\$ 12,000,000</b>	<b>\$ 12,000,000</b>	<b>\$ 20,000,000</b>	<b>\$ 19,000,000</b>	<b>\$ 19,000,000</b>	<b>\$ 22,900,000</b>

### (1) FINANCING LIMITATION

2016 (In Millions)	
Property Tax Levy	\$ 40.9
Personal Property Replacement Tax	-
<b>Total</b>	<b>\$ 40.9</b>
Borrowing Limitation *	95% * Statutory limitation is 100%
<b>Total Available for Financing</b>	<b>\$ 38.8</b>

## STORMWATER MANAGEMENT FUND APPROPRIABLE REVENUE 2017 - 2014

REVENUE DESCRIPTION	ESTIMATED			ACTUAL	
	2017 BUDGET	2016 ADJUSTED	2016 BUDGET	2015	2014
Revenue from Property Taxes					
Gross Tax Levy	\$ 40,856,008	\$ 34,250,000	\$ 34,250,000	\$ 24,050,000	\$ 21,000,000
Less: Allowance for Uncollectible Taxes	(1,429,960)	(1,198,750)	(1,198,750)	(841,750)	(735,000)
Net Property Taxes	\$ 39,426,048	\$ 33,051,250	\$ 33,051,250	\$ 23,208,250	\$ 20,265,000
Adjustment to Match Working Cash Borrowings	(626,048)	(551,200)	(551,200)	(408,250)	(265,000)
Working Cash Financing at 95% of Gross Tax Sources	\$ 38,800,000	\$ 32,500,000	\$ 32,500,000	\$ 22,800,000	\$ 20,000,000
Revenue from Money & Property					
Investment Income	\$ -	\$ 99,000	\$ 300,000	\$ 227,035	\$ 393,951
Miscellaneous	-	256	-	331	140,132
Grants	-	-	-	-	-
Subtotal	\$ -	\$ 99,256	\$ 300,000	\$ 227,366	\$ 534,083
Adjustment to Net Assets Available for Projected Receipts	\$ -	\$ 303,952	\$ -	\$ 373,103	\$ (548,397)
<b>Total</b>	<b>\$ 38,800,000</b>	<b>\$ 32,903,208</b>	<b>\$ 32,800,000</b>	<b>\$ 23,400,469</b>	<b>\$ 19,985,686</b>

**STORMWATER WORKING CASH FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016**

	<u>ASSETS</u>			
	<u>2017</u>		<u>2016</u>	
	<u>AMOUNT</u>	<u>AVAILABLE FOR APPROPRIATION</u>	<u>AMOUNT</u>	<u>AVAILABLE FOR APPROPRIATION</u>
<b>CURRENT ASSETS</b>				
Cash & Investments	\$ 10,960,350	\$ 10,960,350	\$ 26,878,435	\$ 26,878,435
Replacement Tax	-	-	-	-
Due from Stormwater Management Fund	26,500,000	26,500,000	20,000,000	20,000,000
<b>Total Current Assets</b>	<b>\$ 37,460,350</b>	<b>\$ 37,460,350</b>	<b>\$ 46,878,435</b>	<b>\$ 46,878,435</b>
 <b>FUND EQUITY</b>				
Estimated Revenue & Other Financing Sources		\$ 300,000		\$ 200,000
Equity Transfer to Retirement Fund		-		-
<b>ASSETS AVAILABLE FOR 2017 AND 2016</b>		<b>\$ 37,760,350</b>		<b>\$ 47,078,435</b>
<b>FUND EQUITY</b>		<b>\$ 37,460,350</b>		<b>\$ 46,878,435</b>

**STORMWATER WORKING CASH FUND  
APPROPRIABLE REVENUE  
2017 - 2014**

REVENUE DESCRIPTION	ESTIMATED			ACTUAL	
	2017 BUDGET	2016 ADJUSTED	2016 BUDGET	2015	2014
Investment Income	\$ 300,000	\$ 195,000	\$ 200,000	\$ 218,331	\$ 235,930
Other Financing Sources (Uses)					
Equity Transfer to Retirement Fund	-	-	-	-	(1,000,000)
<b>GRAND TOTAL</b>	<b>\$ 300,000</b>	<b>\$ 195,000</b>	<b>\$ 200,000</b>	<b>\$ 218,331</b>	<b>\$ (764,070)</b>

**BOND REDEMPTION & INTEREST FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016**

**ASSETS**

	<b>2017</b>		<b>2016</b>	
	<b>AMOUNT</b>	<b>AVAILABLE FOR APPROPRIATION</b>	<b>AMOUNT</b>	<b>AVAILABLE FOR APPROPRIATION</b>
<b>CURRENT ASSETS</b>				
Cash & Investments	\$ 110,265,700	\$ 110,265,700	\$ 102,566,469	\$ 102,566,469
Restricted Cash	-	-	-	-
Deposits with Escrow Agent	-	-	-	-
Taxes Receivable	221,865,622	222,973,165	220,723,299	222,058,562
<b>Total Current Assets</b>	<b>\$ 332,131,322</b>	<b>\$ 333,238,865</b>	<b>\$ 323,289,768</b>	<b>\$ 324,625,031</b>

**LIABILITIES & FUND EQUITY**

**CURRENT LIABILITIES**

Bonds Payable	\$ 110,387,403	\$ 100,311,969
Interest Payable	117,373,672	115,735,161
Program Expense Payable	-	-
Equity Transfer	-	-
<b>Total Current Liabilities</b>	<b>\$ 227,761,075</b>	<b>\$ 216,047,130</b>

**ASSETS APPROPRIABLE FOR 2017 AND 2016**

Net Assets Appropriable	\$ 333,238,865	\$ 324,625,031
Equity Transfer from Stormwater Management Fund	5,769,300	3,269,300
Estimated Revenue	400,000	700,000
<b>Total Assets Available</b>	<b>\$ 339,408,165</b>	<b>\$ 328,594,331</b>
Liabilities Payable from Restricted Assets	-	-
Less: Assets Available for Future Years (Principal & Interest Payments)	(111,647,090)	(112,547,243)
<b>Total Assets Appropriable</b>	<b>\$ 227,761,075</b>	<b>\$ 216,047,088</b>

**FUND EQUITY**

Undesignated	\$ 104,370,247	\$ 107,242,638
<b>TOTAL FUND EQUITY</b>	<b>\$ 104,370,247</b>	<b>\$ 107,242,638</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 332,131,322</b>	<b>\$ 323,289,768</b>

**BOND REDEMPTION & INTEREST FUND**  
**APPROPRIABLE REVENUE**  
**2017 - 2014**

REVENUE DESCRIPTION	ESTIMATED			ACTUAL	
	2017 BUDGET	2016 ADJUSTED	2016 BUDGET	2015	2014
Revenue from Taxes					
Real Estate					
Current	\$ 224,164,748	\$ 223,010,587	\$ 223,010,587	\$ 211,268,060	\$ 194,660,105
Prior	(1,191,583)	(952,025)	(952,025)	517,194	1,087,327
<b>Total</b>	<b>\$ 222,973,165</b>	<b>\$ 222,058,562</b>	<b>\$ 222,058,562</b>	<b>\$ 211,785,254</b>	<b>\$ 195,747,432</b>
Revenue from Money & Property					
Investment Income	\$ 400,000	\$ 1,020,000	\$ 700,000	\$ 1,039,470	\$ 1,060,763
Build America Bond Subsidy	-	-	-	-	11,141,130
Revenue from Miscellaneous Sources					
Cash Available	110,265,700	108,532,835	102,566,469	108,525,217	108,094,576
Other	-	-	-	3,446	-
Other Financing Sources (Uses)					
Refunding (Net)	-	-	-	-	-
Transfer-in	-	-	-	-	-
Bond Premium	-	-	-	12,346,220	-
Sale of Capital Improvement Bonds (CIB)	-	-	-	70,805,000	-
Bond Redemption	-	-	-	(82,905,757)	-
Refunding Transaction Costs	-	-	-	(241,112)	-
Gain on Swap	-	-	-	-	-
Equity Transfer From Stormwater Management Fund	5,769,300	3,272,650	3,269,300	2,123,920	-
Equity Transfer To Retirement Fund	-	-	-	-	(3,000,000)
Equity Transfer From CIB Fund	-	-	-	-	-
Less: Amount to Be Expended After Budget Year	(111,647,090)	(119,942,465)	(112,547,243)	(108,955,857)	(118,138,187)
<b>GRAND TOTAL</b>	<b>\$ 227,761,075</b>	<b>\$ 214,941,582</b>	<b>\$ 216,047,088</b>	<b>\$ 214,525,801</b>	<b>\$ 194,905,714</b>

**RESERVE CLAIM FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016**

<u>CURRENT ASSETS</u>	<u>ASSETS</u>			
	<u>2017</u>		<u>2016</u>	
	<u>AMOUNT</u>	<u>AVAILABLE FOR APPROPRIATION</u>	<u>AMOUNT</u>	<u>AVAILABLE FOR APPROPRIATION</u>
Cash & Investments	\$ 25,190,277	\$ 25,190,277	\$ 24,488,886	\$ 24,488,886
Taxes Receivable	5,597,000	5,626,823	5,500,500	5,487,014
Replacement Tax	-	-	-	-
<b>Total Current Assets</b>	<b>\$ <u>30,787,277</u></b>	<b>\$ <u>30,817,100</u></b>	<b>\$ <u>29,989,386</u></b>	<b>\$ <u>29,975,900</u></b>
 <u>LIABILITIES &amp; FUND EQUITY</u>				
<u>ACCOUNTS PAYABLE &amp; OTHER LIABILITIES</u>	\$ 400,000	\$ 400,000	\$ 200,000	\$ 200,000
 <u>ASSETS APPROPRIABLE FOR 2017 AND 2016</u>				
Net Assets Appropriable		\$ 30,417,100		\$ 29,775,900
Equity Transfer from Capital Improvements Bond Fund		-		-
Estimated Revenue		200,000		400,000
<b>Total Assets Appropriable</b>		<b>\$ <u>30,617,100</u></b>		<b>\$ <u>30,175,900</u></b>
<u>FUND EQUITY</u>	\$ 30,387,277		\$ 29,789,386	
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ <u>30,787,277</u></b>		<b>\$ <u>29,989,386</u></b>	

**RESERVE CLAIM FUND  
APPROPRIABLE REVENUE  
2017 - 2014**

<u>REVENUE DESCRIPTION</u>	<u>ESTIMATED</u>			<u>ACTUAL</u>	
	<u>2017 BUDGET</u>	<u>2016 ADJUSTED</u>	<u>2016 BUDGET</u>	<u>2015</u>	<u>2014</u>
Revenue from Taxes					
Real Estate - Current	\$ 5,655,000	\$ 5,557,500	\$ 5,557,500	\$ 2,903,106	\$ 5,964,647
Real Estate - Prior	(28,177)	(70,486)	(70,486)	15,848	40,124
Replacement Tax	-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$ 5,626,823</b>	<b>\$ 5,487,014</b>	<b>\$ 5,487,014</b>	<b>\$ 2,918,954</b>	<b>\$ 6,004,771</b>
Equity Transfer from Capital Improvements Bond Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income & Miscellaneous	200,000	283,000	400,000	417,397	545,158
<b>GRAND TOTAL</b>	<b>\$ <u>5,826,823</u></b>	<b>\$ <u>5,770,014</u></b>	<b>\$ <u>5,887,014</u></b>	<b>\$ <u>3,336,351</u></b>	<b>\$ <u>6,549,929</u></b>

**RETIREMENT FUND  
ESTIMATED BALANCE SHEET  
JANUARY 1, 2017 AND 2016**

	<u>ASSETS</u>			
	2017		2016	
	AMOUNT	AVAILABLE FOR APPROPRIATION	AMOUNT	AVAILABLE FOR APPROPRIATION
<b>CURRENT ASSETS</b>				
Taxes Receivable	\$ 62,880,500	\$ 62,880,500	\$ 48,762,150	\$ 55,973,600
Replacement Tax	16,624,500	16,624,500	12,891,900	14,798,400
<b>Total Current Assets</b>	<u>\$ 79,505,000</u>	<u>\$ 79,505,000</u>	<u>\$ 61,654,050</u>	<u>\$ 70,772,000</u>

**LIABILITIES & FUND EQUITY**

**ASSETS APPROPRIABLE FOR 2017 AND 2016**

Net Assets Appropriable	\$ 79,505,000	\$ 70,772,000
Equity Transfer from Stormwater Working Cash Fund	-	-
Equity Transfer from Capital Improvements Bond Fund	-	-
Equity Transfer from Bond Redemption & Interest Fund	-	-
Equity Transfer from Corporate Fund	-	-
<b>Total Assets Appropriable Due to Retirement Fund</b>	<u>\$ 79,505,000</u>	<u>\$ 70,772,000</u>

**FUND EQUITY**

<b>Total Fund Equity</b>	<u>\$ 79,505,000</u>	<u>\$ 61,654,050</u>
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**RETIREMENT FUND  
APPROPRIABLE REVENUE  
2017 - 2014**

REVENUE DESCRIPTION	ESTIMATED			ACTUAL	
	2017 BUDGET	2016 ADJUSTED	2016 BUDGET	2015	2014
Revenue from Taxes					
Real Estate - Current	\$ 62,880,500	\$ 55,973,600	\$ 55,973,600	\$ 49,032,024	\$ 50,067,365
Replacement Tax	16,624,500	14,798,400	14,798,400	12,891,900	13,170,000
<b>SUBTOTAL</b>	<u>\$ 79,505,000</u>	<u>\$ 70,772,000</u>	<u>\$ 70,772,000</u>	<u>\$ 61,923,924</u>	<u>\$ 63,237,365</u>
Equity Transfer from Corporate Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Transfer from Stormwater Working Cash Fund	-	-	-	-	1,000,000
Equity Transfer from Capital Improvements Bond Fund	-	-	-	-	8,000,000
Equity Transfer from Bond Redemption & Interest Fund	-	-	-	-	3,000,000
<b>GRAND TOTAL</b>	<u>\$ 79,505,000</u>	<u>\$ 70,772,000</u>	<u>\$ 70,772,000</u>	<u>\$ 61,923,924</u>	<u>\$ 75,237,365</u>

# SECTION IV

## CORPORATE FUND

The Corporate Fund provides for day-to-day staff services as well as the operations and maintenance of treatment plants, pumping stations, collection sewers, tunnels, and related facilities. This section provides appropriation detail for the operations and support departments.

Graphs indicate staffing, appropriations, and expenditures budgeted from 2008 through 2017. The structure of sub-units and sections, the number of actual 2015 full-time equivalent (FTE) positions, as well as FTE positions budgeted for 2016 and 2017 are shown in the organization chart. In this section, and throughout the Budget, actual expenditures are used for 2015 with estimated costs for 2016 and budgeted costs for 2017. Additional information for each department includes:

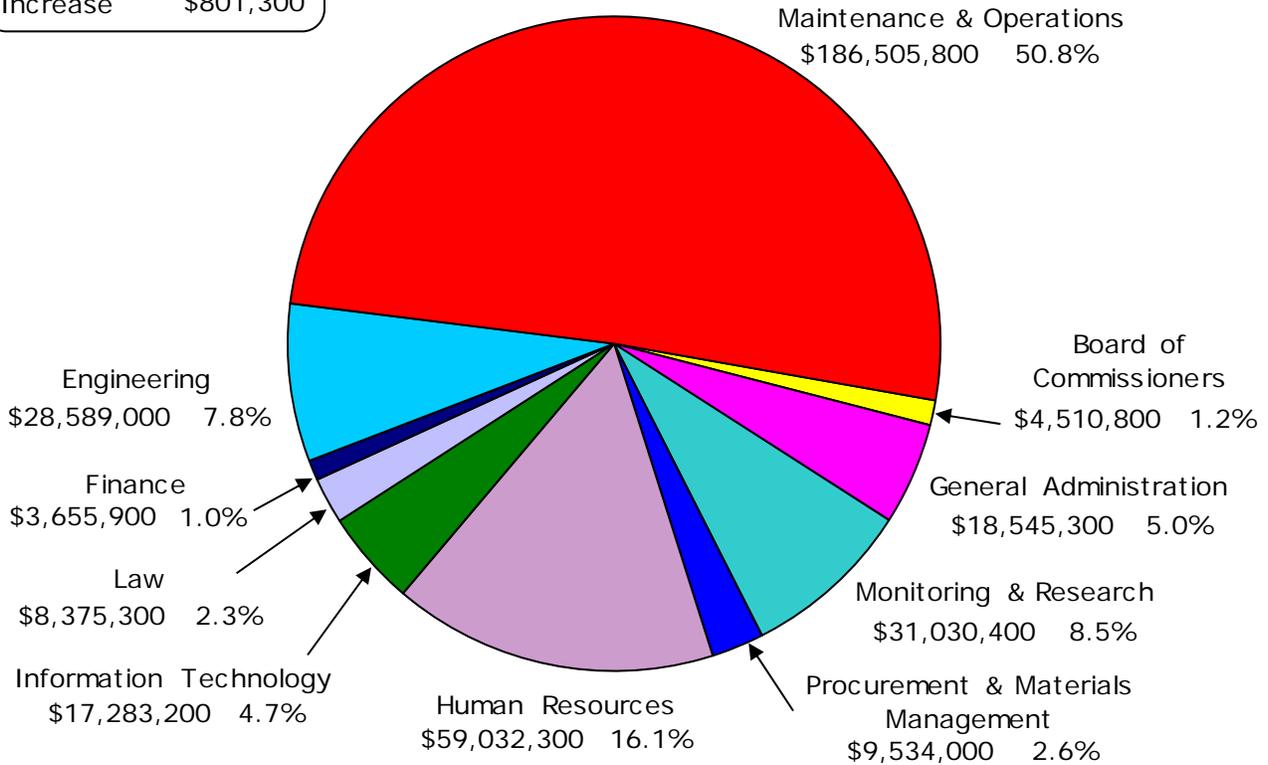
- A *Department Head Transmittal Letter* provides an outline of department plans for the 2017 budget year.
- A *Narrative* explanation of the responsibilities of the department, changes in appropriation from the 2016 Budget, accomplishments during 2016, and significant features for the 2017 Budget. The mission statement, major goals, and initiatives are also provided.
- A list of *Objectives by Priority* describes each objective, assigns the costs associated with it, and indicates its percentage of the total department budget.
- *Programs by Priority* includes major department functions and projected costs and staffing levels with comparison to budgeted 2016. Actual costs are shown for 2015.
- *Performance Data* measures specific department activities by cost and, where possible, measurable units, and compares budgeted costs for 2017 and 2016 with actual costs for 2015.
- The *Line Item Analysis* provides detailed line item appropriations over a three-year period. Appropriations for 2017 are shown as proposed by the Executive Director, subsequently recommended by the Committee on Budget and Employment, and ultimately adopted and amended by the Board of Commissioners. Original and adjusted appropriations and estimated expenditures are shown for 2016. Actual 2015 expenditures are provided.
- The *Position Analysis* provides comparative departmental personnel position information for the previous, current, and budget years. Position counts and appropriations for the current and budget years are provided as totals by section or unit, division, and department. The pay plan and grade for each class title is provided and can be used to reference the salary schedules contained in the appendix to determine the applicable salary range. The 2017 salary appropriation is adjusted for vacancies in the Line Item Analysis.

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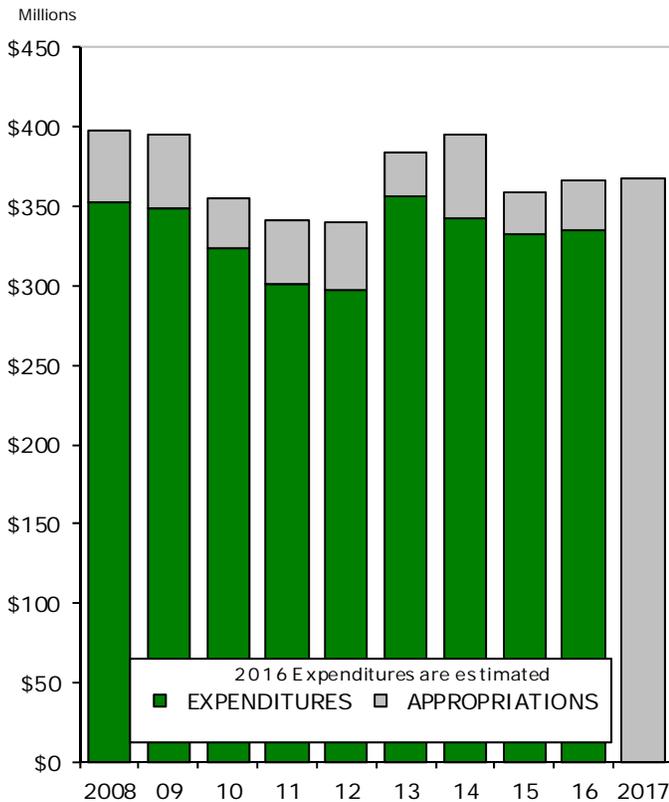
# CORPORATE FUND

## FUNCTIONS

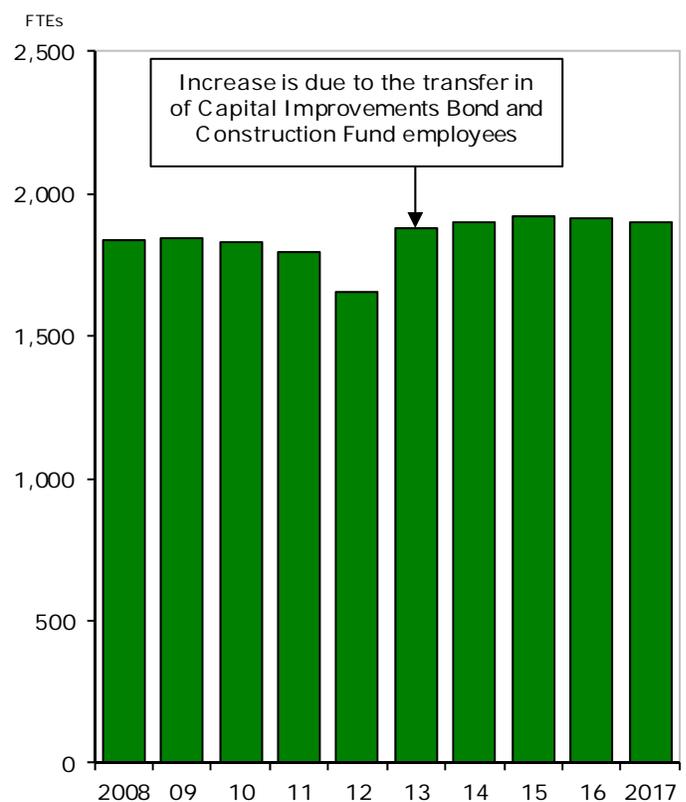
2017	\$367,062,000
2016	\$366,260,700
Increase	\$801,300



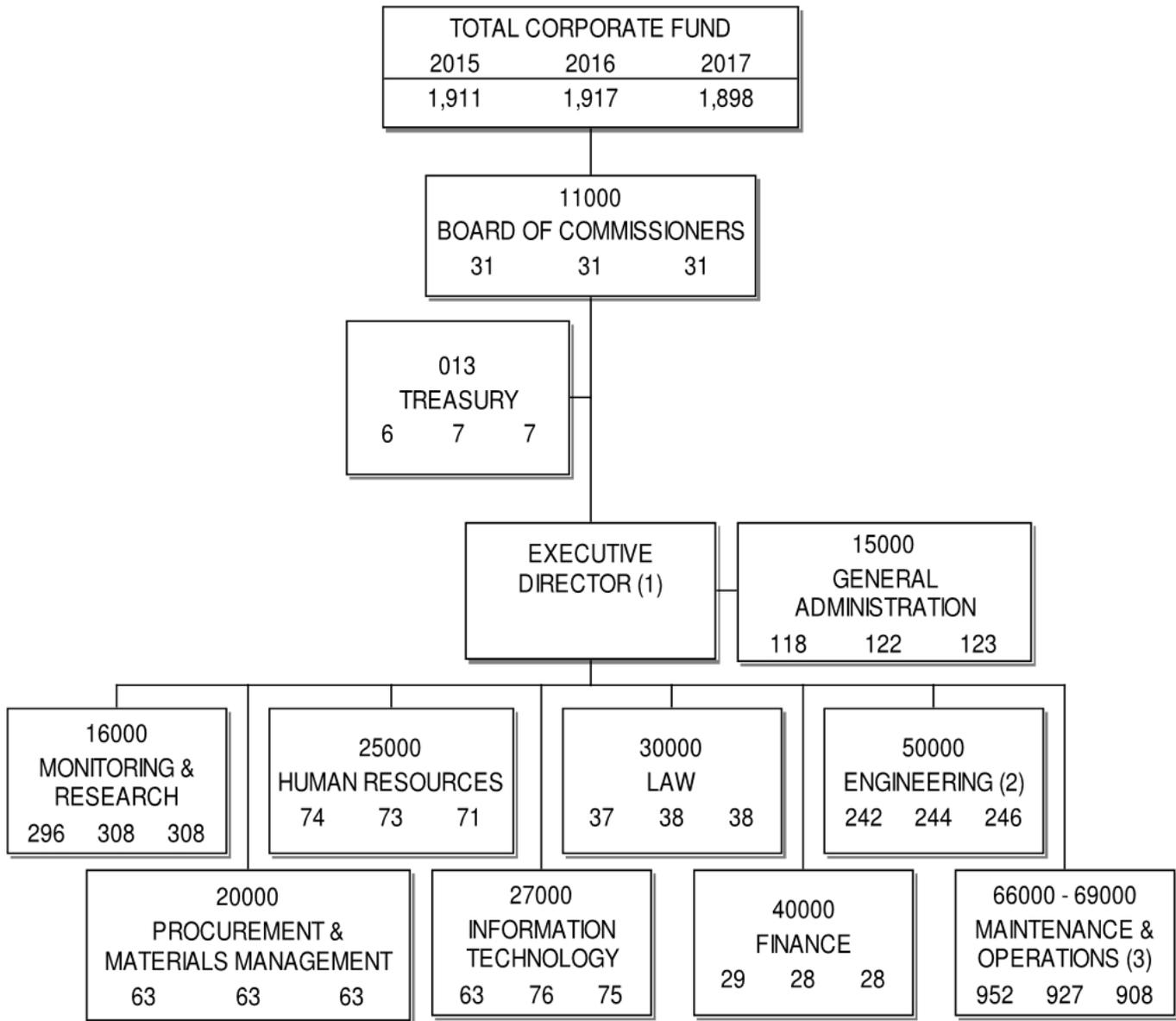
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# CORPORATE FUND



- (1) Personnel count for the Executive Director's Office is reflected in General Administration.
- (2) 30 positions are funded by the Stormwater Management Fund, the management of which remains in the Engineering Department.
- (3) 27 positions are funded by the Stormwater Management Fund, the management of which remains in the Maintenance & Operations Department.

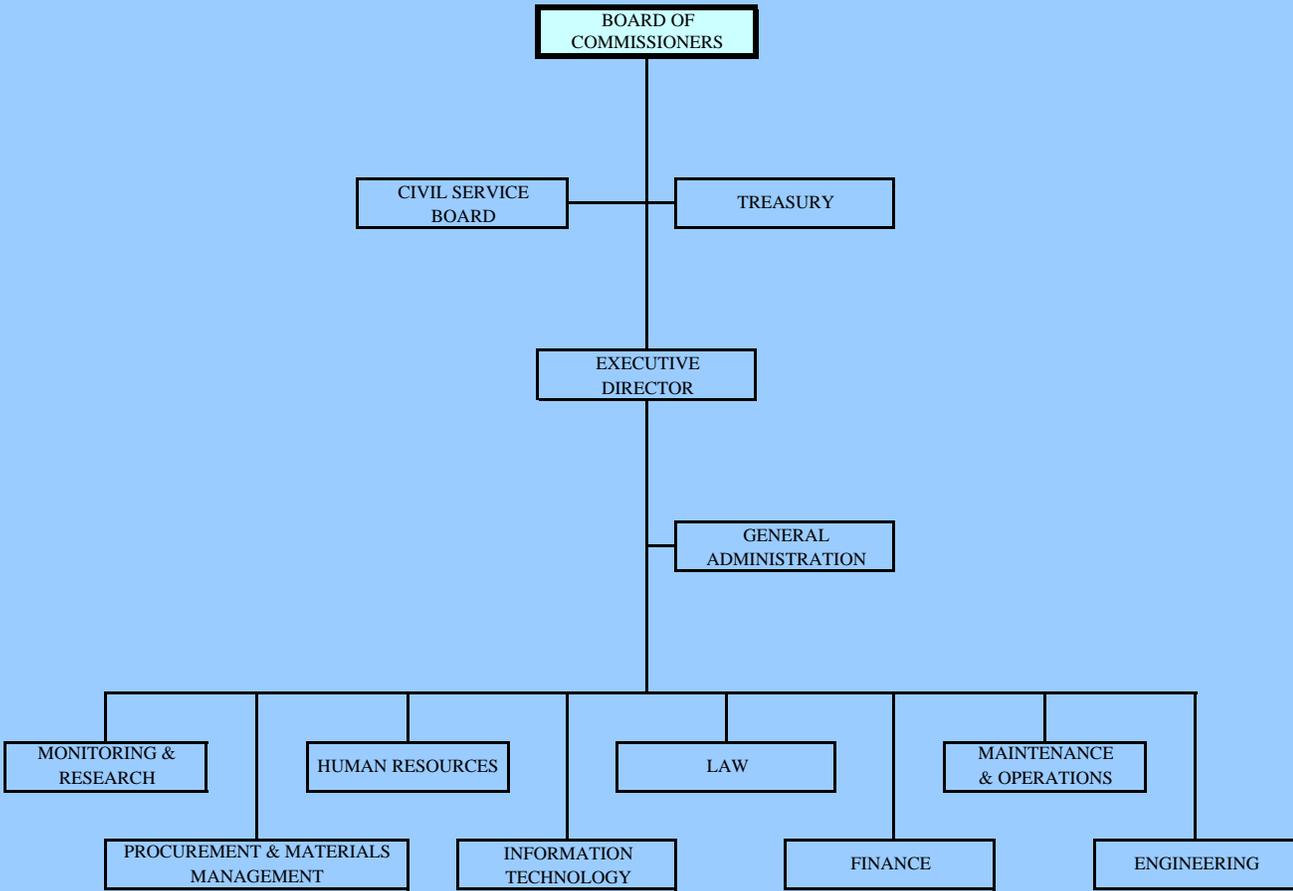
101 11000 - 69000	Fund: Corporate Department: All Division:	LINE ITEM ANALYSIS						
		2015		2016			2017	
		Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16
601010	Salaries of Regular Employees	\$170,331,670	\$183,289,100	\$183,257,600	\$124,034,715	\$170,279,500	\$184,577,700	\$ -
601060	Compensation Plan Adjustments	7,581,243	7,404,200	7,425,700	5,242,078	6,520,700	7,651,300	-
601070	Social Security and Medicare Contributions	2,631,404	2,610,500	2,610,500	1,849,196	2,533,300	2,619,100	-
601080	Salaries of Nonbudgeted Employees	60,568	23,400	23,400	1,544	1,600	39,300	-
601090	Employee Claims	37,475	47,900	47,900	32,879	47,900	60,200	-
601100	Tuition and Training Payments	996,634	1,180,200	1,190,200	637,056	906,900	1,319,300	-
601170	Payments for Professional Services	4,211,238	-	-	-	-	-	-
601250	Health and Life Insurance Premiums	44,187,178	48,226,600	48,226,600	31,943,120	46,848,200	46,705,100	-
601270	General Salary Adjustments	-	-	-	-	-	1,233,100	-
601300	Personal Services, N.O.C.	349,477	518,800	518,800	358,470	518,800	678,800	-
601410	Personal Services Exp for Prelim Engineering Rpts and Studies	100,001	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	230,486,886	243,300,700	243,300,700	164,099,058	227,656,900	244,883,900	-
612010	Travel	51,577	124,100	124,100	40,932	93,300	100,200	-
612030	Meals and Lodging	135,757	210,800	222,800	89,826	174,900	190,500	-
612040	Postage, Freight, and Delivery Charges	92,981	127,900	128,900	93,444	118,400	104,300	-
612050	Compensation for Personally-Owned Automobiles	245,921	267,000	267,000	156,879	216,500	207,300	-
612080	Motor Vehicle Operating Services	65,335	81,200	81,200	71,390	54,500	86,900	-
612090	Reprographic Services	25,822	167,500	167,900	97,619	84,600	153,500	-
612150	Electrical Energy	35,218,954	36,603,400	36,603,400	22,737,811	35,820,800	37,141,000	-
612160	Natural Gas	1,988,511	2,863,200	2,863,200	1,457,309	2,832,900	2,824,800	-
612170	Water and Water Services	1,667,676	1,738,600	1,738,600	1,231,740	1,693,900	1,749,800	-
612210	Communication Services	1,552,791	1,954,900	2,125,900	2,092,225	1,916,900	2,030,100	-
612240	Testing and Inspection Services	182,692	181,400	181,400	126,188	141,000	170,200	-
612250	Court Reporting Services	55,548	103,400	103,400	96,799	86,400	94,000	-
612260	Medical Services	123,656	180,000	180,000	143,600	150,700	123,700	-
612280	Subscriptions and Membership Dues	542,620	572,300	772,300	651,936	771,400	813,800	-
612290	Insurance Premiums	3,129,261	3,500,600	3,500,600	3,342,876	3,500,600	3,500,600	-
612330	Rental Charges	462,643	567,400	567,400	473,972	508,900	541,600	-

101 11000 - 69000	Fund: Corporate Department: All Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
		Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16
612360	Advertising	143,809	137,000	137,000	123,677	137,000	143,000	-
612370	Administration Building Operation	933,188	1,120,500	1,120,500	1,096,785	1,050,000	1,118,900	-
612390	Administration Building Mc Pav Operation	655,270	750,000	750,000	733,536	699,500	738,800	-
612410	Governmental Service Charges	3,223,284	3,240,500	3,040,500	2,406,173	2,941,400	3,317,200	-
612420	Maintenance of Grounds and Pavements	1,540,133	1,049,900	1,049,900	884,846	851,000	923,300	-
612430	Payments for Professional Services	-	6,317,800	6,276,200	5,589,590	4,637,200	5,832,100	-
612440	Preliminary Engineering Reports and Studies	-	40,000	65,000	65,000	40,000	22,000	-
612490	Contractual Services, N.O.C.	1,236,501	2,044,800	1,988,400	1,435,178	1,571,200	1,431,500	-
612520	Waste Material Disposal Charges	10,355,660	10,659,800	10,659,800	10,498,154	9,421,800	11,000,000	-
612530	Farming Services	29,600	29,600	29,600	29,600	29,000	33,200	-
612590	Sludge Disposal	3,604,252	5,000,000	5,000,000	5,000,000	2,598,800	3,204,300	-
612600	Repairs to Collection Facilities	2,893,165	3,796,000	3,625,000	3,300,932	2,000,100	3,332,900	-
612620	Repairs to Waterway Facilities	24,614	98,300	118,300	75,267	70,600	93,200	-
612650	Repairs to Process Facilities	5,985,400	5,643,700	5,643,700	5,468,673	4,069,400	4,963,500	-
612670	Repairs to Railroads	263,900	478,700	478,700	476,333	345,000	302,600	-
612680	Repairs to Buildings	920,380	1,335,400	1,330,100	1,254,329	687,100	1,119,000	-
612760	Repairs to Material Handling and Farming Equipment	364,127	315,200	315,200	283,391	297,200	304,000	-
612780	Safety Repairs and Services	313,335	365,300	365,300	332,422	279,600	540,000	-
612790	Repairs to Marine Equipment	73,441	118,400	118,400	106,418	98,000	110,800	-
612800	Repairs to Office Furniture and Equipment	86,086	107,300	110,700	109,614	109,400	117,600	-
612810	Computer Equipment Maintenance	510,287	651,000	651,000	493,006	479,900	376,100	-
612820	Computer Software Maintenance	3,481,438	3,678,300	3,678,300	3,360,631	3,027,200	4,083,000	-
612840	Communications Equipment Maintenance (Includes Software)	668,071	820,800	820,800	793,565	778,700	814,200	-
612860	Repairs to Vehicle Equipment	525,444	559,500	559,500	557,115	542,900	645,700	-
612970	Repairs to Testing and Laboratory Equipment	392,281	448,100	448,100	399,810	403,500	420,900	-
612990	Repairs, N.O.C.	12,742	72,800	72,800	28,195	67,300	29,800	-
200	TOTAL CONTRACTUAL SERVICES	83,778,152	98,122,400	98,080,900	77,806,784	85,398,500	94,849,900	-
623030	Metals	133,836	165,000	170,200	108,468	158,800	185,000	-

101 11000 - 69000	Fund: Corporate Department: All Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
		Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16
623070	Electrical Parts and Supplies	1,567,336	1,749,600	1,909,600	1,794,896	1,748,100	2,167,000	-
623090	Plumbing Accessories and Supplies	823,437	1,055,200	1,052,000	943,112	1,025,200	1,064,400	-
623110	Hardware	75,117	83,600	118,600	100,391	116,200	122,000	-
623130	Buildings, Grounds, Paving Materials, and Supplies	243,846	316,300	446,700	341,889	413,600	540,000	-
623170	Fiber, Paper, and Insulation Materials	48,213	54,200	54,200	44,688	44,200	59,100	-
623190	Paints, Solvents, and Related Materials	44,029	52,000	62,000	53,307	57,900	62,000	-
623250	Vehicle Parts and Supplies	100,399	186,400	191,600	182,812	170,700	210,100	-
623270	Mechanical Repair Parts	2,226,203	2,264,000	2,104,000	1,869,281	1,516,200	2,448,000	-
623300	Manhole Materials	9,863	10,600	10,600	1,137	9,500	11,000	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	289,471	397,900	386,400	341,809	326,800	374,300	-
623530	Farming Supplies	27,843	29,700	42,800	30,265	41,700	39,000	-
623560	Processing Chemicals	7,472,970	12,448,900	12,438,400	12,396,816	10,586,400	13,734,200	-
623570	Laboratory Testing Supplies, Small Equipment, and Chemicals	924,364	956,400	991,300	935,067	990,500	964,600	-
623660	Cleaning Supplies	244,702	250,900	272,400	211,332	271,200	307,000	-
623680	Tools and Supplies	266,242	303,500	303,500	258,261	288,300	590,000	-
623700	Wearing Apparel	174,889	196,500	232,600	230,082	222,200	229,000	-
623720	Books, Maps, and Charts	23,860	37,300	35,300	26,093	28,700	25,100	-
623780	Safety and Medical Supplies	393,767	365,900	365,900	218,148	243,700	323,300	-
623800	Computer Software	164,611	256,700	267,400	145,296	89,000	339,400	-
623810	Computer Supplies	638,415	592,000	563,300	553,566	558,200	519,400	-
623820	Fuel	455,314	808,500	566,900	459,206	429,400	585,100	-
623840	Gases	70,822	53,000	67,500	66,329	66,600	70,000	-
623850	Communications Supplies	94,403	135,300	135,300	126,399	126,000	140,700	-
623860	Lubricants	253,016	265,200	283,900	179,376	279,300	265,000	-
623990	Materials and Supplies, N.O.C.	226,820	262,200	275,900	257,487	244,300	343,500	-
300	TOTAL MATERIALS AND SUPPLIES	16,993,786	23,296,800	23,348,300	21,875,513	20,052,700	25,718,200	-
634600	Equipment for Collection Facilities	80,936	50,000	50,000	46,477	42,500	50,000	-

101 11000 - 69000	Fund: Corporate Department: All Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
634650	Equipment for Process Facilities	140,237	161,000	161,000	134,650	123,300	100,000	-
634760	Material Handling and Farming Equipment	4,487	-	-	-	-	-	-
634810	Computer Equipment	24,770	20,000	20,000	19,259	19,500	45,000	-
634820	Computer Software	34,334	14,800	14,800	-	13,000	30,000	-
634840	Communications Equipment (Includes Software)	79,647	112,000	112,000	20,779	100,800	-	-
634860	Vehicle Equipment	-	7,000	7,000	5,597	5,600	10,000	-
634970	Testing and Laboratory Equipment	271,464	346,000	346,000	331,428	250,000	485,000	-
634990	Machinery and Equipment, N.O.C.	74,388	10,000	-	-	-	-	-
400	TOTAL MACHINERY AND EQUIPMENT	710,263	720,800	710,800	558,189	554,700	720,000	-
656010	Land	326,181	-	-	-	-	-	-
600	TOTAL LAND	326,181	-	-	-	-	-	-
667130	Taxes on Real Estate	742,686	820,000	820,000	789,941	800,000	890,000	-
700	TOTAL FIXED AND OTHER CHARGES	742,686	820,000	820,000	789,941	800,000	890,000	-
<b>TOTAL CORPORATE FUNDS</b>		<b>\$333,037,954</b>	<b>\$366,260,700</b>	<b>\$366,260,700</b>	<b>\$265,129,485</b>	<b>\$334,462,800</b>	<b>\$367,062,000</b>	<b>\$ -</b>

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).



**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

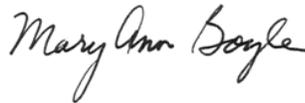
Subject: 2017 Program for the Board of Commissioners

The Board of Commissioners' program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department's 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Board of Commissioners budget for 2017.

Respectfully submitted,

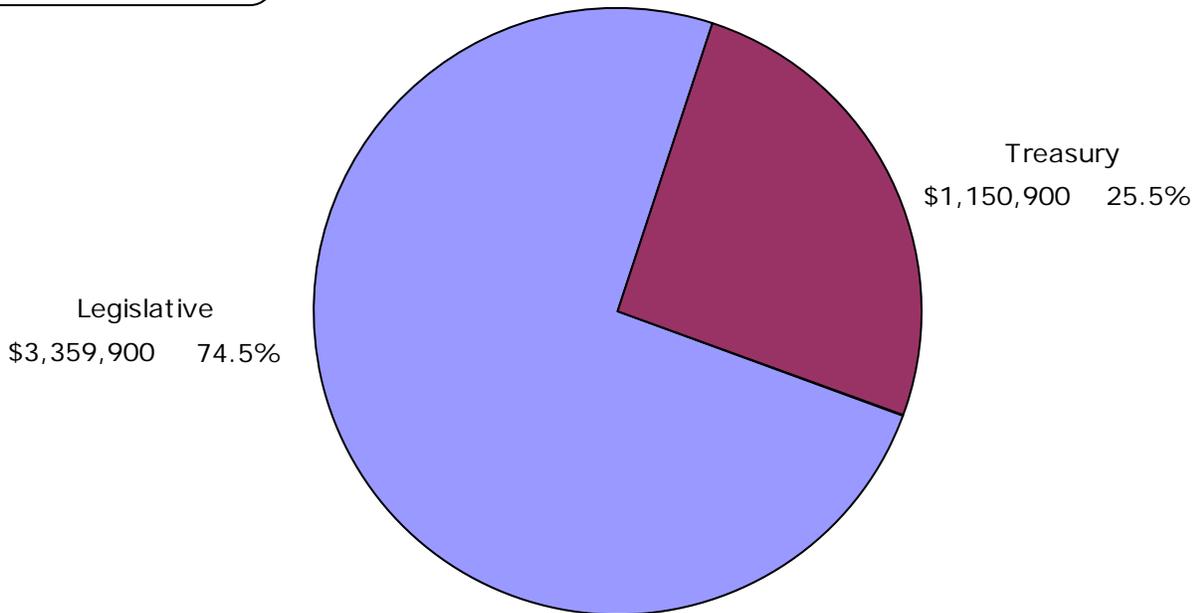


Mary Ann Boyle  
Treasurer

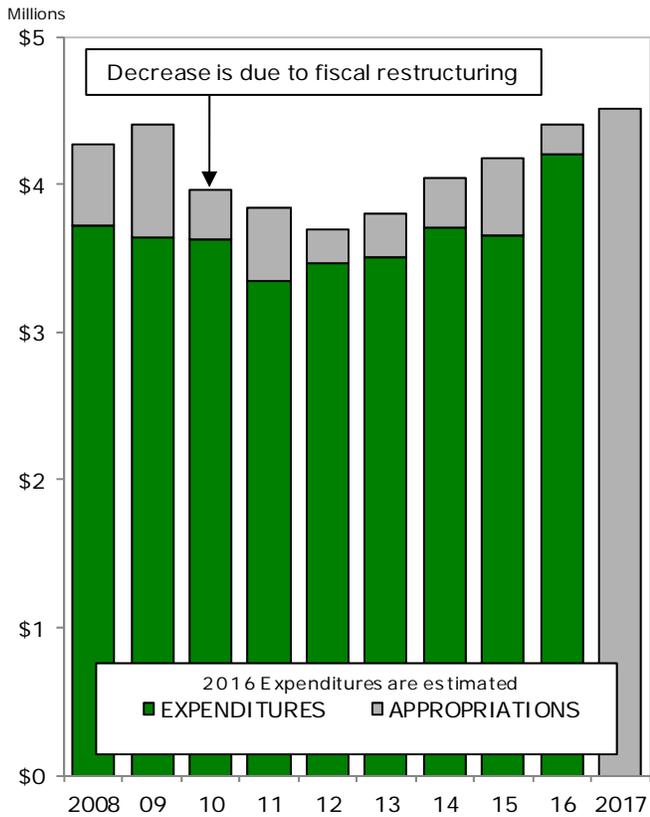
# BOARD OF COMMISSIONERS

## FUNCTIONS

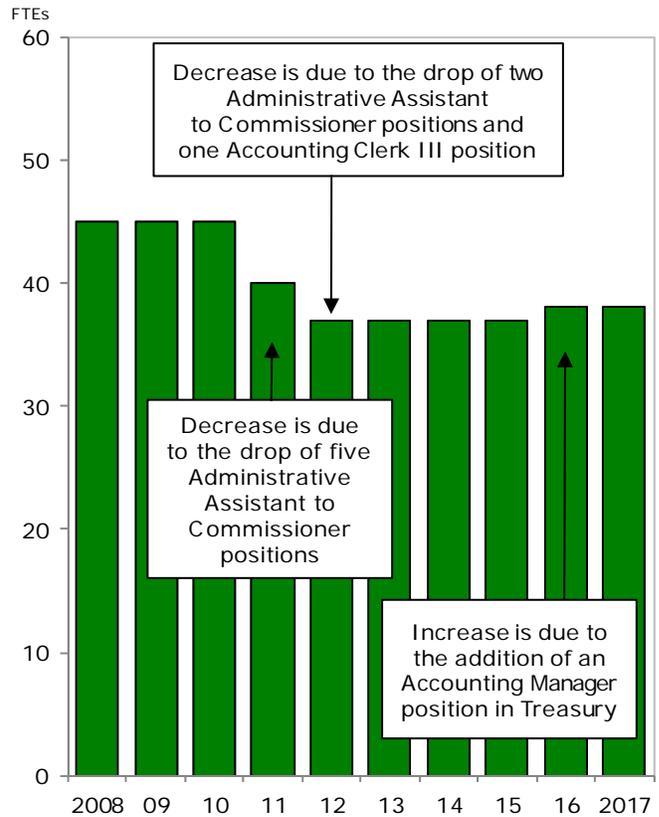
2017	\$4,510,800
2016	\$4,407,800
Increase	\$103,000



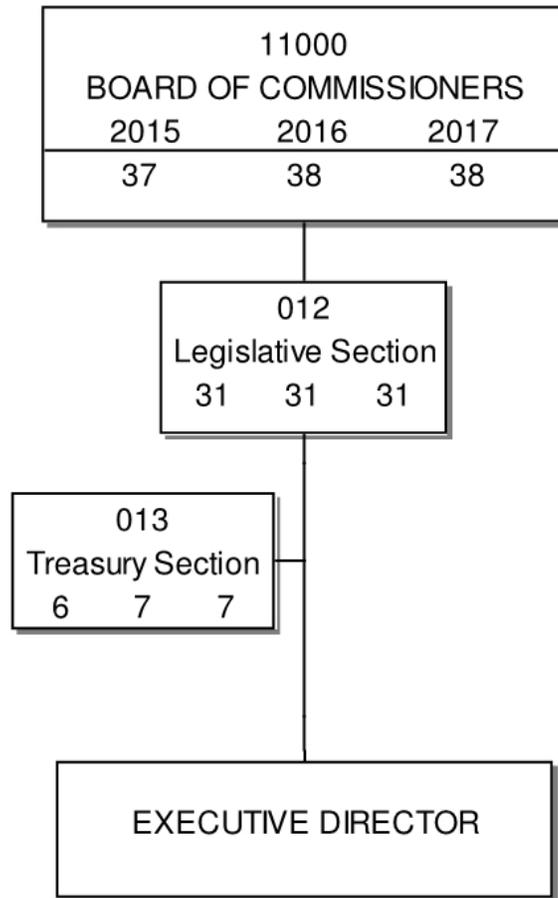
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# BOARD OF COMMISSIONERS



## BOARD OF COMMISSIONERS

**The mission of the Board of Commissioners is the mission of the District: to protect the health and safety of the public in its service area, protect the quality of the water supply source (Lake Michigan), improve the quality of waterways in its service area, protect businesses and homes from flood damages, and manage water as a vital resource for its service area.**

**The mission of the Treasury Section is to provide quality management of the District's financial resources by maximizing income on investments with minimal risk, issuing bonds to finance the wastewater collection, treatment, and flood control facilities' capital needs, cost-effectively meeting the cash requirements of the District's operations through the utilization of appropriate technology and efficient banking practices, and maintaining the District's outstanding bond rating.**

### Departmental Summary

The Board of Commissioners comprises two sections: Legislative and Treasury. The Legislative Section is the policy-making entity of the District, responsible for establishing policies and procedures consistent with the District's mission of protecting the water environment for the citizens of Cook County, and providing a forum to facilitate community involvement. The Treasury Section is responsible for the collection and investment of District revenues, the issuance of bonds to meet District capital requirements, the payment of principal and interest on outstanding bonds as required, and the maintenance of the District's bond ratings.

### Summary of 2016 Accomplishments

- In July 2016, the District closed on the sale of \$426.2 million of General Obligation Capital Improvement Bonds to fund projects included in the District's Capital Improvement Plan and to refund certain maturities of outstanding general obligation bonds. The bond sale included \$104 million of bonds issued with a "Green Bond" designation to allow investors to invest directly in projects which the District has identified as environmentally beneficial projects. Of these bonds, \$4 million were issued as Qualified Energy Conservation Bonds to finance energy efficiency projects. Savings in excess of \$120 million of future debt service was achieved through the refunding of the District's May 2006 bonds;
- Investment interest income earned for the year was approximately \$5.1 million. The severe economic downturn in the financial markets that began in 2008 continues to present significant challenges for earning higher yields on short-term interest-bearing investments. The District experienced no loss on investments;
- For the fourth consecutive year, the District had access to \$200 million in low-interest loans made available from the Illinois Environmental Protection Agency's State Revolving Fund loan that will be used for wastewater and stormwater capital improvement projects. The Illinois Clean Water Initiative provides loans to fund construction projects and aid communities in complying with the U.S. Environmental Protection Agency's guidelines and standards, addresses critical infrastructure needs, and stimulates local economic development;
- The District continued toward the funding policy goals for the Retirement Fund and the Other Post-Employment Benefits (OPEB) Trust. As of December 31, 2015, the Retirement Fund's funded ratio was 55.2 percent, and the OPEB Trust's funded ratio was 52.1 percent;
- The District was presented with the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 2015 Retiree Health Care Trust Comprehensive Annual Financial Report. This marks the ninth consecutive year that the Retiree Health Care Trust has been presented with the award.

### Budget Highlights

The 2017 appropriation request for the Board of Commissioners is \$4,510,800, an increase of \$103,000, or 2.3 percent, above the 2016 appropriation. The 2017 staffing level remains unchanged at 38 positions.

The significant feature of the Treasury Section 2017 budget is:

- Investment Interest Income Estimate: \$5.0 million or less – 2017 will be another difficult year for investing due to very low interest rates forecasted for the fixed income market.

**2017 Initiatives in Support of the Strategic Business Plan Include the Following:**

• **Add Value**

The Treasury Section will engage professional service providers, selected through the Request for Proposal process, that can most significantly assist the District in efficiently utilizing taxpayers’ assets.

The Treasury Section will continue to develop tools to monitor and ensure financial stability and to analyze and leverage market conditions to implement best strategies for investment and debt management.

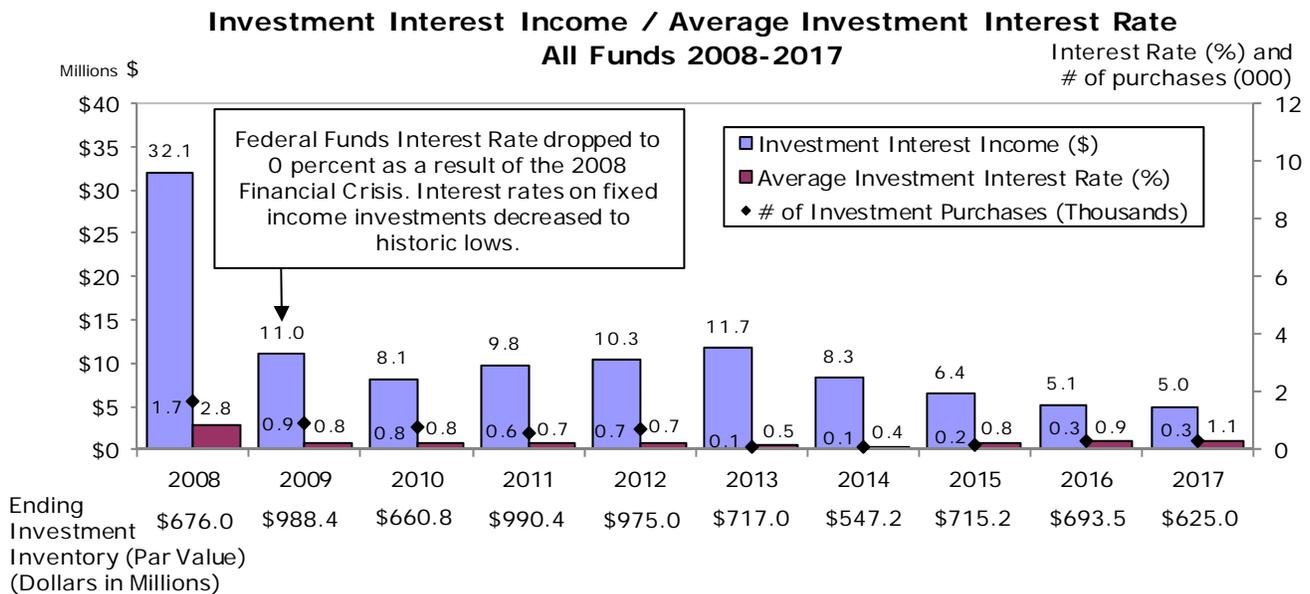
The Treasury Section will explore new and different ideas on investment and debt management to maximize returns and cost efficiency for the District’s residents while adhering to District policies.

• **Excellence**

The Treasury Section will continue to provide excellent customer service to the District’s residents through the responsible management of cash, investments, and debt to ensure financial stability targets are met.

The Treasury Section will maintain sufficient liquidity to meet the District’s payment requirements for operations, payroll, and capital expenditures, fund all expenditures in compliance with federal law and state statute, and maintain pension and OPEB funding strategies to ensure the long-term health of the retirement programs.

The Treasury Section will maximize investment yield on District investments while safeguarding the principal by investing excess cash to maximize investment returns within the statutory and investment policy guidelines.



The Treasury Section will continue to focus the Capital Finance Program on the prudent use of debt financing for capital needs and debt service savings, while issuing debt financings in compliance with federal securities laws and state statutory authorization.

The Treasury Section will regularly evaluate, streamline, and improve its processes to increase efficiency and accuracy. Procedural documentation will continue to be created and updated to ensure knowledge continuity and assist in succession planning.

The Treasury Section will complete the creation of administrative procedures and legal and financing documents that define the Local Government Loan Program according to District Statutory Authorization (70 ILCS 2605/9.6c). This project began in 2015 in collaboration with the Engineering and Law Departments. The project plan will be presented to the Board of Commissioners for approval in 2017, at which time, should approval be given, the majority of the project will be executed.

The Treasury Section will complete the creation of procedures to define disclosure requirements for bond issues and adhere to post-issuance compliance regulations as required by the Internal Revenue Service.

• **Develop Employees**

Treasury Section employees will continue to attend seminars and conferences in 2017 to develop knowledge and skills in the areas of investment, treasury, and debt management. Employees will also continue to cross-train to ensure business continuity at all times.

**11000 BOARD OF COMMISSIONERS**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:		Cost	Percent
1.	Establish policies and priorities to guide the Executive Director in meeting the District's responsibilities, ensuring the protection of the environment, and the health and welfare of people in the community in the most responsive, efficient, and economical manner.	\$ 3,359,900	74.5%
2.	Provide cash management services to maximize investment interest return without sacrifice of principal or required liquidity, measured by exceeding the benchmark 90-day Treasury bill rate and investment on average of over 99 percent of available funds.	\$ 1,150,900	25.5%
Enhance the District's image in national financial markets through the prudent use of debt financing for capital needs and debt service savings.			
Total		<u>\$4,510,800</u>	<u>100.0%</u>

MEASURABLE GOALS:		2015 Actual	2016 Estimated	2017 Proposed
1.	Maximize investment earnings by exceeding the interest rate benchmark monthly.	100%	100%	100%
2.	Invest 99 percent of available funds on a daily basis.	100%	100%	100%
3.	Achieve AAA bond rating with all three major rating agencies.	67%	33%	33%
4.	Maintain minority broker/dealer investment participation at 30 percent or more of applicable investment purchases.	30%	30%	30%

PROGRAMS BY PRIORITY:		2015 Actual	Budgeted		Change			
Number	Name		FTEs	Dollars	Dollars	Percent		
7110	Legislative	\$ 2,721,899	2017	31	\$ 3,274,900	\$ 161,300	5.2	a)
			2016	31	\$ 3,113,600			
7210	Treasury Activities	\$ 605,866	2017	4	\$ 696,000	\$ (39,300)	(5.3)	
			2016	4	\$ 735,300			
7316	OPEB Trust Management and Report Preparation	\$ 115,511	2017	1	\$ 139,600	\$ 1,800	1.3	
			2016	1	\$ 137,800			
7601	Capital Financing Program and Other Related Costs	\$ 216,784	2017	2	\$ 315,300	\$ (37,300)	(10.6)	
			2016	2	\$ 352,600			
7604	Social Security and Medicare Contributions	\$ -	2017	-	\$ 85,000	\$ 16,500	24.1	b)
			2016	-	\$ 68,500			
Totals		\$ 3,660,060	2017	38	\$ 4,510,800	\$ 103,000	2.3%	
			2016	38	\$ 4,407,800			

- a) Increase is due to the addition of nine Special Project Aide to Commissioner positions (\$140,000).
- b) Increase is due to the calculation for Social Security and Medicare as a percentage of salaries.

**11000 BOARD OF COMMISSIONERS**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7110	Legislative	Cost	\$ 2,721,899	\$ 3,113,600	\$ 3,274,900	a)
7210	Treasury Activities	Cost	\$ 605,866	\$ 735,300	\$ 696,000	
7316	OPEB Trust Management and Report Preparation	Cost	\$ 115,511	\$ 137,800	\$ 139,600	
7601	Capital Financing Program and Other Related Costs	Cost	\$ 216,784	\$ 352,600	\$ 315,300	
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 68,500	\$ 85,000	b)
		Totals	\$ 3,660,060	\$ 4,407,800	\$ 4,510,800	

- a) Increase is due to the addition of nine Special Project Aide to Commissioner positions (\$140,000).
- b) Increase is due to the calculation for Social Security and Medicare as a percentage of salaries.

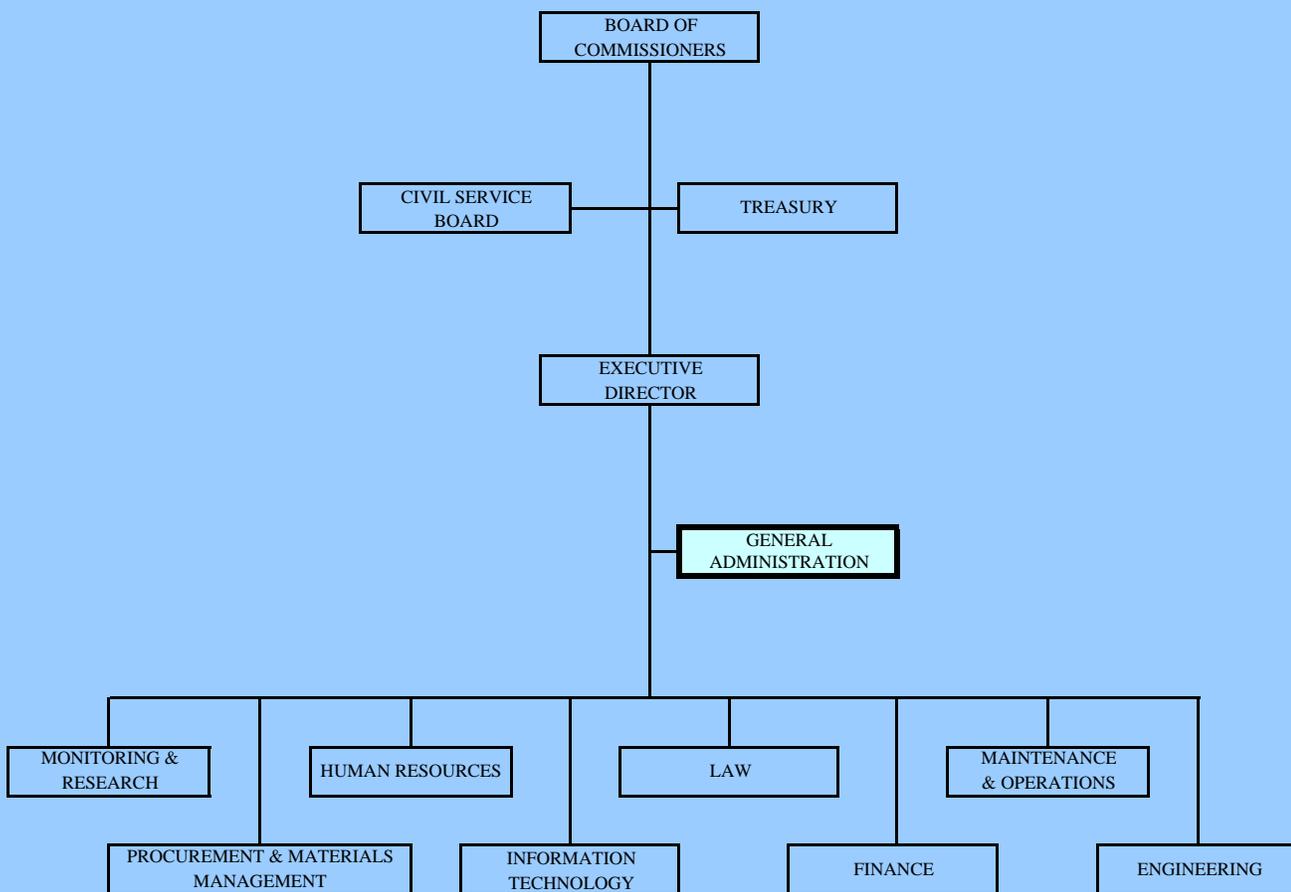
101 11000	Fund: Corporate Department: Board of Commissioners Division:	LINE ITEM ANALYSIS						
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 3,161,070	\$ 3,633,800	\$ 3,623,800	\$ 2,507,446	\$ 3,450,200	\$ 3,635,800	\$ -
601060	Compensation Plan Adjustments	14,469	28,700	28,700	12,665	28,700	34,400	-
601070	Social Security and Medicare Contributions	-	68,500	68,500	51,631	68,500	85,000	-
601100	Tuition and Training Payments	3,917	10,000	20,000	11,464	20,000	20,000	-
601170	Payments for Professional Services	179,558	-	-	-	-	-	-
601300	Personal Services, N.O.C.	247,024	288,000	288,000	198,648	288,000	428,000	-
100	TOTAL PERSONAL SERVICES	3,606,039	4,029,000	4,029,000	2,781,854	3,855,400	4,203,200	-
612010	Travel	5,880	10,000	10,000	4,611	10,000	10,000	-
612030	Meals and Lodging	12,236	15,000	27,000	3,915	27,000	20,000	-
612050	Compensation for Personally-Owned Automobiles	70	-	-	-	-	-	-
612280	Subscriptions and Membership Dues	30,899	35,000	35,000	35,000	35,000	36,100	-
612430	Payments for Professional Services	-	310,000	298,000	231,542	268,000	230,500	-
612490	Contractual Services, N.O.C.	-	700	700	435	700	1,000	-
200	TOTAL CONTRACTUAL SERVICES	49,085	370,700	370,700	275,504	340,700	297,600	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	4,926	8,000	8,000	4,009	8,000	10,000	-
623990	Materials and Supplies, N.O.C.	11	100	100	-	-	-	-
300	TOTAL MATERIALS AND SUPPLIES	4,937	8,100	8,100	4,009	8,000	10,000	-
TOTAL BOARD OF COMMISSIONERS		\$ 3,660,060	\$ 4,407,800	\$ 4,407,800	\$ 3,061,367	\$ 4,204,100	\$ 4,510,800	\$ -

NOTES: 1. Amounts may not add up due to rounding.  
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 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).

Fund: Corporate Dept: Board of Commissioners Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>012</b>	<b>Legislative Section</b>					
EX22	President	1	1		1	
EX21	Vice President	1	1		1	
EX01	Commissioner (Chairman, Committee on Finance)	1	1		1	
EX02	Commissioner	6	6		6	
EX03	Administrative Aide to President	1	1		1	
EX04	Administrative Assistant to Commissioner (Secretary)	21	21		21	
TOTAL	Legislative Section	31	31	2,723,620.90	31	2,732,498.08
<b>013</b>	<b>Treasury Section</b>					
EX05	Treasurer	1	1		1	
HP20	Assistant Treasurer	1	1		1	
HP18	Accounting Manager	-	1		1	
HP16	Financial Analyst	3	3		3	
EX06	Secretary to Officer	1	1		1	
TOTAL	Treasury Section	6	7	928,418.40	7	921,559.34
TOTAL	Board of Commissioners	37	38	3,652,039.30	38	3,654,057.42

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.

**NOTE PAGE**



**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

Subject: 2017 Program for General Administration

General Administration's program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of General Administration's organization, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed General Administration budget for 2017.

Respectfully submitted,

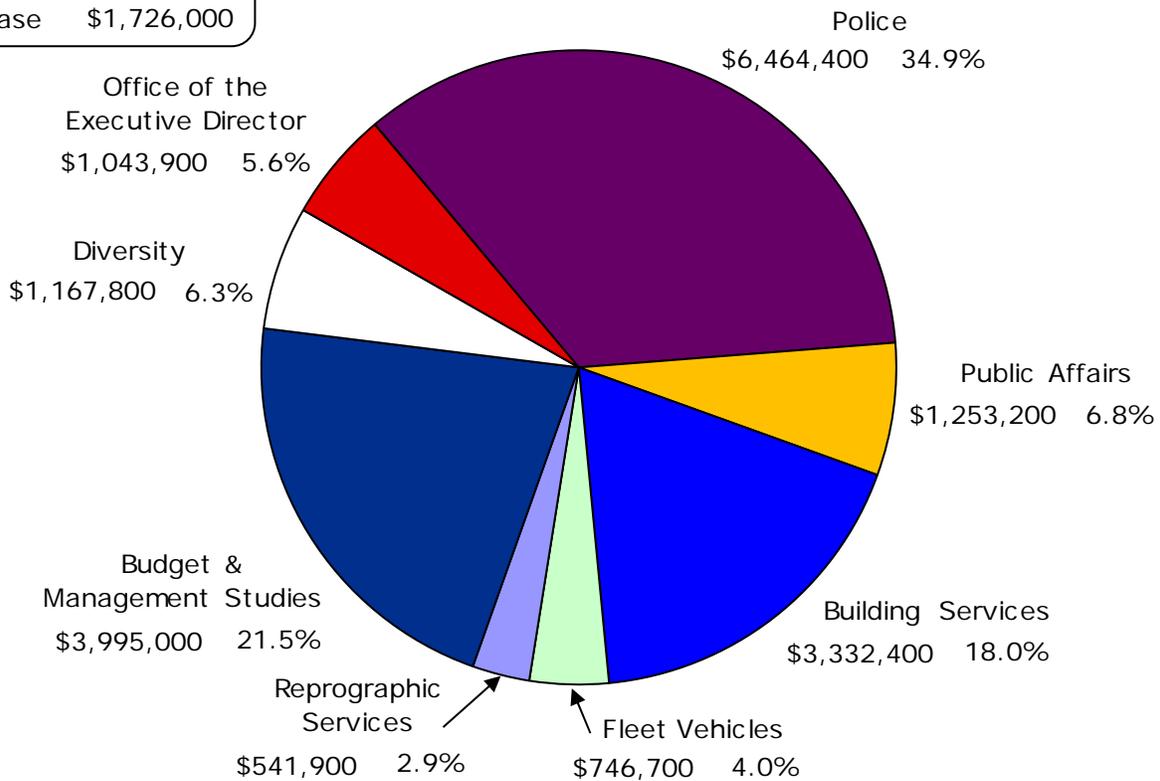


Eileen M. McElligott  
Administrative Services Manager

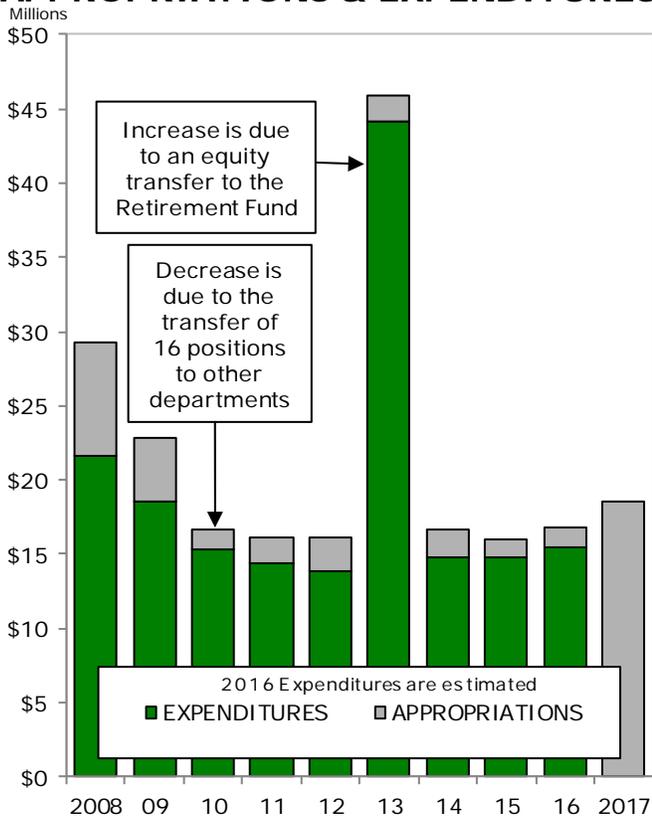
# GENERAL ADMINISTRATION

2017	\$18,545,300
2016	\$16,819,300
Increase	\$1,726,000

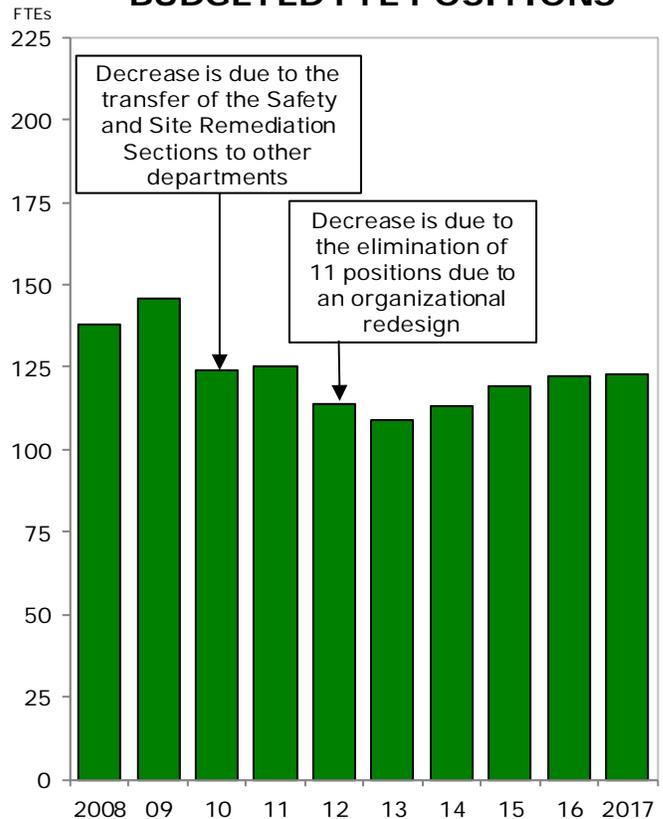
## FUNCTIONS



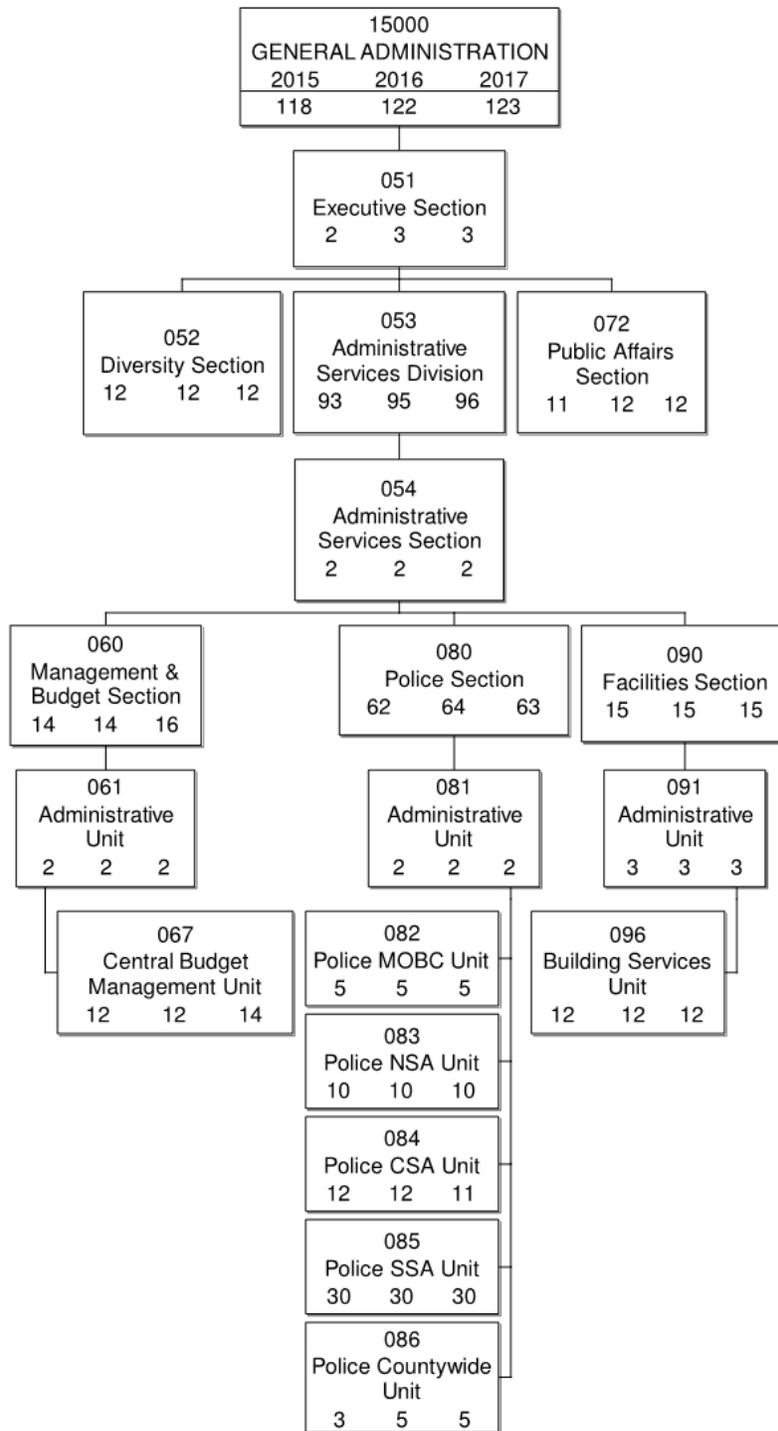
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# GENERAL ADMINISTRATION



## GENERAL ADMINISTRATION

**The mission of the Administrative Services Division is to prepare and administer the annual budget, provide a secure work environment for all employees, visitors, contractors, and citizens, and provide support services to maintain the Main Office Building Complex (MOBC).**

**The mission of the Diversity Section is to ensure that minority (MBE), women (WBE), and small business (SBE) enterprises are given equal opportunity to participate in the performance of the District's construction program and professional service contracts in excess of \$100,000, in accordance with case law and the District's policies.**

**The mission of the Public Affairs Section is to promote a broader understanding and appreciation of the District and the valuable services it provides, present clear and accurate information about the work of the District and its areas of responsibility, cultivate relationships and facilitate communication with all stakeholders, and plan and implement targeted promotional efforts and social marketing campaigns.**

### Departmental Summary

General Administration supports the office of the Executive Director in implementing Board policies. General Administration includes the Office of the Executive Director, the Administrative Services Division, the Diversity Section, and the Public Affairs Section.

### Summary of 2016 Accomplishments

- The 2016 Budget received the 32nd consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA), receiving Special Performance Measures Recognition;
- Trained in-house staff on several topics intended to increase the efficiency of the budgeting process;
- Coordinated a District-wide review of budget coding to simplify the classification of budget requests;
- Increased the number of Protected Class Enterprise vendors included on the District's vendor list;
- Received a 2016 Advocate of the Year Award from the Federation of Women Contractors;
- Participated in the Federal Drug Administration's Drug Take Back Program in the Spring and Fall at three water reclamation plants;
- Implemented a drug collection program with the Cook County Sheriff's Office to expand drug collection initiatives;
- Completed the carpet replacement and painting project on the 3<sup>rd</sup> floor of the Main Office Building (MOB), initiated the rehabilitation of two elevators (MOB), replaced the mixed air heating unit in the Main Office Building Annex (MOBA), installed an additional heating unit and reconfigured ductwork (MOBA), and replaced an electric water heater (MOBA);
- Expanded the Building Automation System in the MOBC to achieve greater energy efficiency;
- Implemented the "Restore the Canopy, Plant a Tree" program to replenish Cook County's urban tree canopy, distributing more than 10,000 oak tree saplings in two months;
- Produced the "Recovering Resources, Transforming Water" video;
- Hosted the District's African American History Celebration, honoring African American grassroots organizations;
- Hosted 200 tours/open houses with over 8,000 visitors, attended over 160 outreach events impacting more than 50,000 people, and visited over 90 schools and other organizations to educate more than 6,000 people;
- Accommodated hundreds of media requests, reached over 453,000 people through 600 posts on Facebook, and reached over one million impressions through more than 500 Tweets.

### Budget Highlights

The 2017 appropriation for General Administration is \$18,545,300, an increase of \$1,726,000, or 10.3 percent, from 2016. The staffing level has increased from 122 to 123 positions, which includes the addition of one Budget and Management Analyst and the transfer in of a Management Analyst II and a Management Analyst III, offset by the drop of a Facilities Administrator and a Police Officer. Further position changes include the reclassification of the Administrative Services Manager to Administrative Services Officer and an Administrative Assistant to a Secretary to Officer.

Significant features of the 2017 budget are:

- Major projects for the MOB include roof maintenance and continuation of the rehabilitation of two elevators;
- Continue the reduction of fleet inventory and the replacement of vehicles at 10 years or 100,000 miles. Vehicles not meeting the minimum usage criteria may be designated as pool vehicles for better utilization;
- Continue the management of the District's positive public image through proactive communications and by hosting ribbon cutting ceremonies as major projects are completed.

## **2017 Administrative Services Division Initiatives in Support of the Strategic Business Plan Include the Following:**

The Administrative Services Division is comprised of three distinct support service functions, consisting of the Management & Budget, Police, and Facilities Sections. It is focused on the goals established in the Strategic Business Plan and is committed to continuous improvement in 2017.

### **• Add Value**

The Administrative Services Division will provide efficient and cost-effective business services to all departments in support of the overall District mission.

The Management & Budget Section will continue to plan and monitor revenues and expenditures to ensure compliance with tax cap limitations, facilitate sound financial management, and identify and implement efficiencies in the budget process. The section continually strives to improve points of communication and increase transparency for our constituents.

The Police Section will continue to patrol plants and property, interact with employees, visitors, contractors, the public, and other police agencies in a professional and service-oriented manner.

The Facilities Section will continue to provide a professional, clean, safe, and comfortable environment for employees, contractors, visitors, and the general public.

### **• Excellence**

The Management & Budget Section continually strives to produce a budget that provides transparency to the public. The section's goals include earning Special Capital Recognition and Special Performance Measures Recognition from the GFOA.

The Police Section protects employees, contractors, visitors, and the District's assets through access control and patrolling and monitoring District land and facilities in a professional and service-oriented manner.

The Facilities Section is responsible for the maintenance and operations of the MOBC, which includes building operations, automotive fleet services, mailroom, and print services. It is committed to providing a functional and cost-effective office environment for staff and delivering efficient and cost-effective automotive fleet services, mailroom, and print services. The Facilities Section will continue to support the MOBC through the careful management of our physical assets and staff services.

### **• Resource Recovery**

The Administrative Services Division will support and provide the necessary services for the District's resource recovery initiatives by providing a corporate office environment for staff, facilitating the financial plan needed to move forward as quickly as possible, and protecting the infrastructure and assets used to recover resources.

The Police Section established its own Drug Take Back Program at four permanent locations and will continue to participate in the Federal Drug Administration's Drug Take Back program. The programs together, prevent and reduce the accidental contamination of streams, rivers, and lakes by disposing of pharmaceuticals in an environmentally friendly manner.

The Facilities Section will continue the ongoing dual-stream recycling program at the MOBC, reducing waste by removing recyclable materials and containers from the waste stream. Moreover, in 2017, the food waste for compost recycling produced by the MOB cafeteria will continue. The program, started in January of 2013, includes separating organic waste from all other wastes into separate waste streams by depositing it in biodegradable bags and transferring it to a compost-producing facility.

### **• Develop Employees**

The Administrative Services Division will continue to develop employees through participation in training seminars and conferences to increase professional knowledge and skills. In-house training, webinars, and eLearning opportunities are utilized whenever possible to extend training to multiple employees in a cost-effective manner.

### **• Leading Partnerships**

The Administrative Services Division will foster partnerships and develop strategic relationships with organizations and agencies in our community in support of the District's mission.

The Management & Budget Section will work with the GFOA, the Civic Federation, and other agencies to promote best practices and continuous improvement in our Budget document.

The Police Section will participate as a member of the Law Enforcement Mutual Aid Agreement, and work with other agencies and municipalities to protect people and assets.

The Facilities Section will work closely with our neighbors, especially when street closures are necessary for building maintenance.

### **• Technology**

The Administrative Services Division will continue to use technology effectively to provide transparency in budgeting, financial support, communications, and to provide useful data and information necessary to make good decisions.

**2017 Diversity Section Initiatives in Support of the Strategic Business Plan Include the Following:**

The Diversity Section will continue to fulfill its role in support of the District’s Strategic Business Plan.

**• Add Value**

The Diversity Section will continue to fulfill its community leadership role regarding contract and employment diversity in the District’s service communities by establishing and monitoring goals for construction related projects, as well as participating in and hosting vendor outreach activities, including trade shows, conferences, and contractor training sessions covering District business practices. These activities directly impact the development of MBE, WBE, and SBE vendors.

Construction & Consulting Contracts	2012	2013	2014**	2015	As of 3rd Qtr. 2016
Minority Business Enterprises	\$25,801,878	\$42,692,505	\$75,053,441	\$23,292,180	\$45,645,679
Women Business Enterprises	\$14,903,225	\$22,032,830	\$39,870,628	\$10,855,589	\$26,361,979
Small Business Enterprises *	\$2,202,104	\$2,549,686	\$857,220	\$375,118	\$0
Total Contracts Awarded	\$135,299,419	\$222,211,307	\$386,198,534	\$116,523,512	\$195,938,156

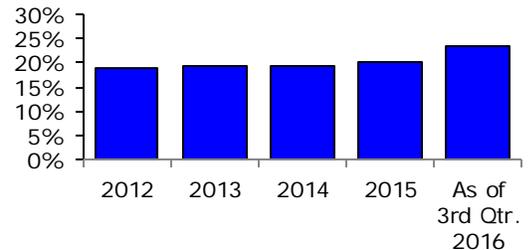
\* 2012 - 2016 SBE contract award amount only includes non-MBEs and non-WBEs.

\*\* \$236 million contract awarded in 2014 for 04-128-3P, Westside Primary Settling Tanks at the Stickney Water Reclamation Plant.

**• Excellence**

The Diversity Section, in cooperation with the Law, Procurement & Materials Management, Maintenance & Operations, and Engineering Departments worked to complete the Disparity Study to provide a legal foundation for maintaining racial and gender diversity in District contracting. Also in 2016, the Diversity Section implemented the recommendations and changes resulting from the study. By meeting or exceeding the participation targets, the diversity program will ensure that bona fide minority, women, and small business enterprises are given an equal and increasing opportunity to participate in the performance of District construction and consultant contracts.

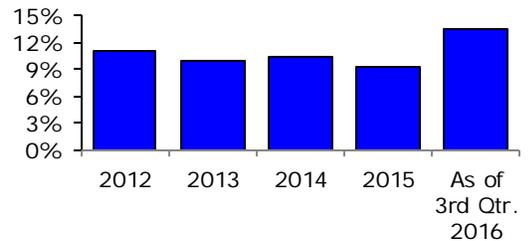
**Minority Business Enterprises**



**• Develop Employees**

The Diversity Section will continue the development of performance management metrics to better measure the performance of staff. In 2016, the Diversity staff was trained in contract compliance through the American Contractor Compliance Association. Also, in 2016, the Diversity staff was trained in business writing skills. In 2017, the Diversity staff will be trained in teambuilding techniques. These skills are vital to the continued success of the section.

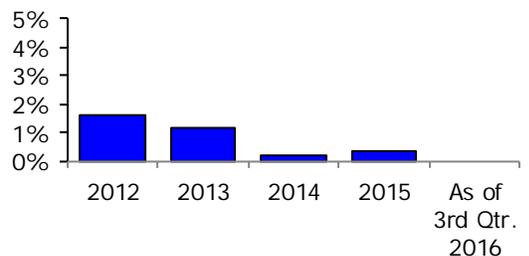
**Women Business Enterprises**



**• Leading Partnerships**

The Diversity Section will continue to partner with the District’s sister government agencies to discover more efficient methods to help vendors become successful government contractors, and develop sustainable relationships with prime contractors and financial institutions. Staff will continue to co-host workshops and other meetings with sister agencies to train their members on how to do business with the District and provide information on new District contract opportunities.

**Small Business Enterprises \***



**• Technology**

In 2016, the Diversity Section continued development of the District’s subcontracting database in the Affirmative Action Compliance Software System, PRISM, which provides accountability, greater public transparency, and accuracy in reporting on MBE, WBE, and SBE participation in District contracting. In 2017, Diversity will complete and present PRISM to the public, and include information from PRISM on the District’s website. Staff will also change the website created to support the Disparity Study to accommodate any changes resulting from the study, improve the e-Library forms and documents on the District’s website, and update the MBE, WBE, and SBE vendor list smart-search database to make it more user-friendly.

\*2012 – 2016 SBE contract award percentage only includes non-MBEs and non-WBEs

## **2017 Public Affairs Section Initiatives in Support of the Strategic Business Plan Include the Following:**

The Office of Public Affairs has embraced the goals established in the Strategic Business Plan and is committed to maintaining the District's public image as we forge a new path in 2017.

### **• Add Value**

Public Affairs staff will work to inform the public about the value the District adds to our community and stakeholders. Public Affairs will continue to produce fact sheets, talking points, photos, videos, press releases, and other materials that will help staff educate the public about the value of the District's work and areas of responsibility. PowerPoint presentations, exhibits, and displays provided by Public Affairs will continue to enhance speaking engagements, while press releases researched and prepared by Public Affairs will be distributed to stakeholders and media members. The Office of Public Affairs utilizes social media, participates in and supports community events with presenters and handouts, host tours and open houses, and provides photos and imagery to targeted audiences that help to educate the public on the value and importance of the District's work. Public Affairs will also add value to the scholars and reporters interested in past and present imagery by making photo files and imagery freely available, and promote its real estate portfolio by publicizing properties and their varied uses. The office will also continue to oversee the distribution of thousands of oak tree saplings in addition to several programs promoting the District's stormwater management mission.

### **• Excellence**

The Public Affairs Section exhibits a sense of urgency in all activities. They are determined to enthusiastically achieve excellence in all work products and through interactions with colleagues, stakeholders, reporters, and members of the public. Quality communications will continue to feature professionally written and designed materials that reflect the organization's important role and history of excellence. Public Affairs will strive to produce deliverables that reflect professional quality in all forms of media.

### **• Resource Recovery**

The Public Affairs Section will educate and inform the public about the District's resource recovery work by producing targeted, audience-appropriate materials that clearly explain this subject. The completion of the phosphorus recovery facility offered the opportunity to educate the public about the impact phosphorus has on the waterways, and the positive impact the new facility will have on improving our water environment locally as well as nationally. The Public Affairs Section will also continue to support biosolids marketing efforts, stormwater management, disinfection and other water quality improvements, and developments in the Tunnel and Reservoir Plan.

### **• Develop Employees**

Public Affairs staff will continue to learn new skills and techniques in order to keep up-to-date with current communication practices and technology. Staff will be encouraged to pursue classroom training, online training, webinars, and to read industry publications and books. Public Affairs staff will also continue to keep abreast of changes and new developments within the District and the current trends in water treatment industry reported on throughout the world. The Public Affairs Section is aware that all employees influence the public image of the District. Therefore, the Public Affairs Section will continue to produce resources, such as fact sheets, that will help educate staff about the District's work and areas of responsibility. The Public Affairs Section will continue to send out daily "MWRD in the News" emails that help all employees remain knowledgeable about new developments at the District and in the water industry. These daily reminders also help cultivate a sense of urgency and immediacy among staff.

### **• Leading Partnerships**

The Public Affairs Section will foster partnerships and engage with organizations, communities, and individuals who share in the commitment to the water environment, and an interest in District work and areas of responsibility. The Office of Public Affairs will develop strategic relationships with the public through participation in local events, by development of communication materials, and by providing requested resources, such as photos and brochures.

### **• Technology**

The Public Affairs Section will continue to use technology to efficiently and effectively educate the public and the District's stakeholders about the value and importance of our work. We will continue to use technology both as a tool for creating communications by using appropriate and up-to-date software, hardware, and technical processes, and as a medium of communication, using social media, email, and databases. Public Affairs staff will update the District's website with fresh, current information, utilize social media as an interactive communications tool, continue to update and send e-mail blasts and mailings to targeted officials, stakeholders and the media, produce a bi-monthly employee newsletter, maintain electronic message signs at water reclamation plants, and develop a user-friendly online photo archive which will include current photos and scanned historical imagery.

**15000 GENERAL ADMINISTRATION**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. Physically protect and secure District personnel, facilities, and outlying properties through access control, police patrol, and proactive crime prevention.	\$ 6,464,400	34.9%
2. Carry out policies established by the elected Board of Commissioners for the protection of the water environment of the District.	\$ 1,043,900	5.6%
3. Reach participation goals established by the Board of Commissioners for Minority Business Enterprise, Women Business Enterprise, and Small Business Enterprise for construction and professional services contracts.	\$ 1,167,800	6.3%
4. Prepare and administer the District's annual budget to be used as a policy, financial, operations, and communications plan in the furtherance of the District's mission and statutory requirements.	\$ 3,682,900	19.8%
5. Operate and maintain the Main Office Building Complex to provide a functional and cost-effective office environment for staff, contractors, and visitors.	\$ 3,332,400	18.0%
6. Provide public understanding of District functions and activities through media, publications, and tours.	\$ 1,253,200	6.8%
7. Provide fleet management services by administering the operation, maintenance, repair, and procurement of the District's fleet.	\$ 746,700	4.0%
8. Reproduce and distribute materials used for the District's internal and external communications and records purposes in a timely, efficient, and cost-effective manner.	\$ 541,900	2.9%
9. Perform organization and management research studies and compliance audits to evaluate the District's various business activities for cost-saving opportunities, compliance with legal mandates, and policies established by the Board of Commissioners.	\$ 312,100	1.7%
<b>Total</b>	<b>\$18,545,300</b>	<b>100.0%</b>

MEASURABLE GOALS:	2015 Actual	2016 Actual	2017 Proposed
1. Receive the Government Finance Officers Association Distinguished Budget Presentation Award annually.	Yes	Yes	Yes
2. Increase public awareness of the District and its mission through growth in social media followers of at least 10 percent per year among the principal social media sites including Facebook, Twitter, and LinkedIn.			

Year	Facebook		Twitter		LinkedIn	
	Number of Followers	Percent Increase from Previous Year	Number of Followers	Percent Increase from Previous Year	Number of Followers	Percent Increase from Previous Year
2017 - Proposed	2,400	11%	1,865	19%	1,697	22%
2016 - Actual	2,170	17%	1,565	21%	1,397	17%
2015 - Actual	1,851	85%	1,298	16%	1,194	18%

**15000 GENERAL ADMINISTRATION**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015 Actual	Budgeted		Change			
Number	Name		FTEs	Dollars	Dollars	Percent		
7100	Office of the Executive Director	\$ 419,465	2017	3	\$ 479,900	\$ 57,800	13.7	
			2016	3	\$ 422,100			
7110	Legislative	\$ 620,292	2017	-	\$ 564,000	\$ (57,000)	(9.2)	
			2016	-	\$ 621,000			
7220	Reprographic Services	\$ 455,978	2017	2	\$ 541,900	\$ (34,800)	(6.0)	
			2016	3	\$ 576,700			
7240	Public Affairs	\$ 978,355	2017	12	\$ 1,253,200	\$ 75,800	6.4	
			2016	12	\$ 1,177,400			
7251	Corporate Budget Preparation, Monitoring, and Administration	\$ 1,573,564	2017	14	\$ 3,586,000	\$ 1,635,900	83.9	a)
			2016	12	\$ 1,950,100			
7252	Management and Organization Studies	\$ 213,346	2017	3	\$ 312,100	\$ 80,700	34.9	b)
			2016	2	\$ 231,400			
7254	Enterprise Systems	\$ 90,738	2017	1	\$ 96,900	\$ 1,800	1.9	
			2016	1	\$ 95,100			
7340	Security of Plants and Property	\$ 5,792,119	2017	63	\$ 6,314,600	\$ (20,800)	(0.3)	
			2016	64	\$ 6,335,400			
7460	Main Office Building Complex Services	\$ 3,021,279	2017	11	\$ 3,332,400	\$ (121,600)	(3.5)	c)
			2016	11	\$ 3,454,000			
7470	Contract Diversity	\$ 1,012,808	2017	12	\$ 1,167,800	\$ 5,100	0.4	
			2016	12	\$ 1,162,700			
7490	Automotive Fleet Operations	\$ 622,346	2017	2	\$ 746,700	\$ 100,800	15.6	d)
			2016	2	\$ 645,900			
7604	Social Security and Medicare Contributions	\$ -	2017	-	\$ 149,800	\$ 2,300	1.6	
			2016	-	\$ 147,500			
Totals		\$ 14,800,290	2017	123	\$ 18,545,300	\$ 1,726,000	10.3%	
			2016	122	\$ 16,819,300			

- a) Increase is due to a contingency for District-wide Corporate Fund general salary adjustments (\$1,233,100), the transfer in of a Management Analyst III and Management Analyst II position (\$241,900), and a new request for membership to "Current" (\$200,000), offset by the salary reallocation for a Senior Budget and Management Analyst position due to a section transfer (\$44,400).
- b) Increase is due to the addition of one Budget and Management Analyst position (\$78,000).
- c) Decrease is due to a reduced need for building repair projects at the Main Office Building Complex (\$35,000) and an anticipated reduction in postage usage (\$19,500).
- d) Increase is due to the expansion of the fleet vehicle location program (\$53,000) and increased fleet maintenance costs due to an aging fleet (\$45,000).

**15000 GENERAL ADMINISTRATION**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7100	Office of the Executive Director	Cost	\$ 419,465	\$ 422,100	\$ 479,900	
7110	Legislative	Cost	\$ 620,292	\$ 621,000	\$ 564,000	
7220	Reprographic Services					
7221	Copy and Print	# of Impressions	3,047,601	6,500,000	3,500,000	
		Cost	\$ 433,616	\$ 546,400	\$ 527,100	
		Cost/Impression	\$ 0.14	\$ 0.08	\$ 0.15	
7224	Consult, Design, and Prepare Graphics	Cost	\$ 22,362	\$ 30,300	\$ 14,800	a)
7240	Public Affairs					
7247	Internal Public Affairs					
	Inter-Departmental Support	Cost	\$ 245,913	\$ 294,500	\$ 316,500	
7248	External Public Affairs					
	Respond to Public Inquiries; Furnish Public Information Pamphlets	# of Responses	40,000	44,000	46,000	
		Cost	\$ 244,524	\$ 294,754	\$ 312,715	
		Cost/Response	\$ 6.11	\$ 6.70	\$ 6.80	
	Coordinate District Communications with Public, Civic, and Social Groups	# of Contacts	20,154	22,169	23,000	
		Cost	\$ 133,609	\$ 161,055	\$ 170,868	
		Cost/Contact	\$ 6.63	\$ 7.26	\$ 7.43	
	Monitor Public Hearings, Board Meetings, Internet, Media, and Issue Press Releases	Cost	\$ 172,516	\$ 207,954	\$ 220,626	
	Special Public Events	Cost	\$ 181,793	\$ 219,137	\$ 232,491	
7250	Budget Preparation and Management Studies					
7251	Corporate Budget Preparation, Monitoring, and Administration	Cost	\$ 1,573,564	\$ 1,950,100	\$ 3,586,000	b)
7252	Management and Organization Studies	Cost	\$ 213,346	\$ 231,400	\$ 312,100	c)
7254	Enterprise Systems	Cost	\$ 90,738	\$ 95,100	\$ 96,900	

a) Decrease is due to the drop of the Facilities Administrator position (\$12,600).

b) Increase is due to a contingency for District-wide Corporate Fund general salary adjustments (\$1,233,100), the transfer in of a Management Analyst III position and Management Analyst II position (\$241,900), and a new request for membership to "Current" (\$200,000), offset by a reallocation of salary for a Senior Budget and Management Analyst position due to a section transfer (\$44,400).

c) Increase is due to the addition of one Budget and Management Analyst position (\$78,000).

**15000 GENERAL ADMINISTRATION**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7340	Security of Plants and Property					
	Patrol of District Facilities	# of Miles	110,382	106,362	113,694	
		Cost	\$ 1,121,278	\$ 1,226,450	\$ 1,222,424	
		Cost/Mile	\$ 10.16	\$ 11.53	\$ 10.75	
	Patrol of District Real Estate	# of Miles	214,270	206,468	220,698	
		Cost	\$ 3,170,782	\$ 3,468,190	\$ 3,456,803	
		Cost/Mile	\$ 14.80	\$ 16.80	\$ 15.66	
	Access Control to Facilities	# of Hours	52,008	48,611	48,611	
		Cost	\$ 1,500,059	\$ 1,640,760	\$ 1,635,373	
		Cost/Hour	\$ 28.84	\$ 33.75	\$ 33.64	
7460	Main Office Building Complex (MOBC) Services					
7461	Annual Operation and Maintenance (Cost per square foot per year)	Area (Sq. Ft.)	198,901	198,901	198,901	
		Cost	\$ 2,627,954	\$ 2,994,100	\$ 2,939,900	
		Cost/Sq. Ft.	\$ 13.21	\$ 15.05	\$ 14.78	
7463	Collect and Distribute Mail	# of Pieces	889,491	1,100,000	1,013,009	d)
		Cost	\$ 289,323	\$ 349,500	\$ 294,000	
		Cost/Piece	\$ 0.33	\$ 0.32	\$ 0.29	
7464	Telephone Switchboard Operations at MOB	Cost	\$ 104,002	\$ 110,400	\$ 98,500	
7470	Contract Diversity					
7471	Contract Compliance	Cost	\$ 470,790	\$ 509,600	\$ 520,700	
7472	Community Activity	Cost	\$ 322,175	\$ 379,700	\$ 385,700	
7473	Contract Diversity Support	Cost	\$ 219,843	\$ 273,400	\$ 261,400	
7490	Automotive Fleet Operations					
7491	Automotive Fleet Procurement	Cost	\$ 6,616	\$ 7,900	\$ 8,300	
7496	Automotive Fleet Disposal	Cost	\$ 6,435	\$ 7,200	\$ 7,000	
7499	Automotive Fleet Operations	Cost	\$ 609,295	\$ 630,800	\$ 731,400	e)
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 147,500	\$ 149,800	
Totals			\$ 14,800,290	\$ 16,819,300	\$ 18,545,300	

d) Decrease is due to an anticipated reduction in postage usage (\$19,500).

e) Increase is due to the expansion of the fleet vehicle location program (\$53,000) and increased fleet maintenance costs due to an aging fleet (\$45,000).

101 15000	Fund: Corporate Department: General Administration Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 9,148,164	\$ 10,393,700	\$ 10,393,700	\$ 6,976,144	\$ 9,556,400	\$ 10,795,800	\$ -
601060	Compensation Plan Adjustments	1,207,452	1,006,400	1,006,400	612,560	842,000	948,300	-
601070	Social Security and Medicare Contributions	-	147,500	147,500	108,394	147,400	149,800	-
601100	Tuition and Training Payments	30,965	125,000	125,000	25,379	56,300	97,600	-
601170	Payments for Professional Services	610,000	-	-	-	-	-	-
601270	General Salary Adjustments	-	-	-	-	-	1,233,100	-
100	TOTAL PERSONAL SERVICES	10,996,582	11,672,600	11,672,600	7,722,477	10,602,100	13,224,600	-
612010	Travel	7,542	15,000	15,000	6,690	12,100	10,000	-
612030	Meals and Lodging	13,766	17,500	17,500	6,598	11,300	17,000	-
612040	Postage, Freight, and Delivery Charges	84,426	115,000	115,000	84,958	109,800	95,500	-
612050	Compensation for Personally-Owned Automobiles	5,351	5,900	5,900	1,282	2,000	4,100	-
612080	Motor Vehicle Operating Services	63,626	77,000	77,000	69,905	51,400	83,500	-
612090	Reprographic Services	17,963	118,500	118,500	55,483	52,000	120,600	-
612150	Electrical Energy	362,903	365,000	365,000	229,635	333,500	365,000	-
612160	Natural Gas	26,402	38,000	38,000	15,730	20,000	35,000	-
612170	Water and Water Services	4,865	5,500	5,500	3,103	5,000	5,500	-
612210	Communication Services	3,000	3,000	3,000	3,000	3,000	3,000	-
612280	Subscriptions and Membership Dues	509,733	537,300	737,300	616,936	736,400	777,700	-
612330	Rental Charges	18,372	21,900	21,900	16,082	19,100	17,900	-
612360	Advertising	14,012	10,000	10,000	1,750	10,000	13,000	-
612370	Administration Building Operation	933,188	1,120,500	1,120,500	1,096,785	1,050,000	1,118,900	-
612390	Administration Building Mc Pav Operation	655,270	750,000	750,000	733,536	699,500	738,800	-
612430	Payments for Professional Services	-	623,600	623,600	586,075	577,000	556,600	-
612490	Contractual Services, N.O.C.	238,275	355,800	355,800	318,485	284,200	340,000	-
612680	Repairs to Buildings	113,282	100,000	94,700	51,233	45,000	65,000	-
612800	Repairs to Office Furniture and Equipment	77,661	100,000	103,300	102,591	102,000	110,000	-
612840	Communications Equipment Maintenance (Includes Software)	15,960	17,800	17,800	17,784	17,800	17,800	-
612860	Repairs to Vehicle Equipment	432,623	440,000	440,000	439,200	440,000	538,000	-

101 15000	Fund: Corporate Department: General Administration Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
200	TOTAL CONTRACTUAL SERVICES	3,598,220	4,837,300	5,035,300	4,456,841	4,581,100	5,032,900	-
623070	Electrical Parts and Supplies	6,944	15,000	15,000	14,466	13,500	17,000	-
623090	Plumbing Accessories and Supplies	13,994	13,400	10,200	6,000	10,200	30,000	-
623110	Hardware	13,824	15,700	15,700	15,303	15,300	17,000	-
623250	Vehicle Parts and Supplies	7,926	-	-	-	-	-	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	108,774	165,500	154,000	149,350	137,600	132,300	-
623660	Cleaning Supplies	1,290	1,500	1,500	1,300	1,300	2,000	-
623700	Wearing Apparel	21,580	36,900	36,900	36,844	36,000	30,000	-
623720	Books, Maps, and Charts	109	4,000	2,000	683	500	500	-
623800	Computer Software	-	-	8,700	8,625	5,000	-	-
623810	Computer Supplies	-	-	3,300	3,112	3,000	-	-
623990	Materials and Supplies, N.O.C.	31,047	47,400	64,100	55,340	47,000	59,000	-
300	TOTAL MATERIALS AND SUPPLIES	205,489	299,400	311,400	291,023	269,400	287,800	-
634990	Machinery and Equipment, N.O.C.	-	10,000	-	-	-	-	-
400	TOTAL MACHINERY AND EQUIPMENT	-	10,000	-	-	-	-	-
TOTAL GENERAL ADMINISTRATION		\$ 14,800,290	\$ 16,819,300	\$ 17,019,300	\$ 12,470,341	\$ 15,452,600	\$ 18,545,300	\$ -

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).

Fund: Corporate Dept: General Administration Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>051</b>	<b>Executive Section</b>					
EX07	Executive Director	1	1		1	
EX06	Secretary to Officer	1	2		2	
TOTAL	Executive Section	2	3	460,127.98	3	460,127.98
<b>052</b>	<b>Diversity Section</b>					
HP18	Diversity Administrator	1	1		1	
HP16	Senior Diversity Officer	2	2		2	
HP15	Compliance Officer #2 (Diversity Officer) (New Grade HP14)	5	4		3	
HP14	Diversity Officer	1	2		3	
HP11	Administrative Specialist	2	2		2	
HP09	Administrative Clerk	1	1		1	
TOTAL	Diversity Section	12	12	1,066,479.96	12	1,086,753.46
<b>053</b>	<b>Administrative Services Division</b>					
<b>054</b>	<b>Administrative Services Section</b>					
EX19	Administrative Services Officer	-	-		1	
HP22	Administrative Services Manager	1	1		-	
EX06	Secretary to Officer	-	-		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	1		-	
TOTAL	Administrative Services Section	2	2	309,352.16	2	303,200.30
<b>060</b>	<b>Management &amp; Budget Section</b>					
<b>061</b>	<b>Administrative Unit</b>					
HP20	Budget Officer	1	1		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	-	1		-	
HP11	Administrative Specialist	1	-		1	
TOTAL	Administrative Unit	2	2	229,038.16	2	206,490.70
<b>067</b>	<b>Central Budget Management Unit</b>					
HP18	Supervising Budget & Management Analyst	1	1		1	

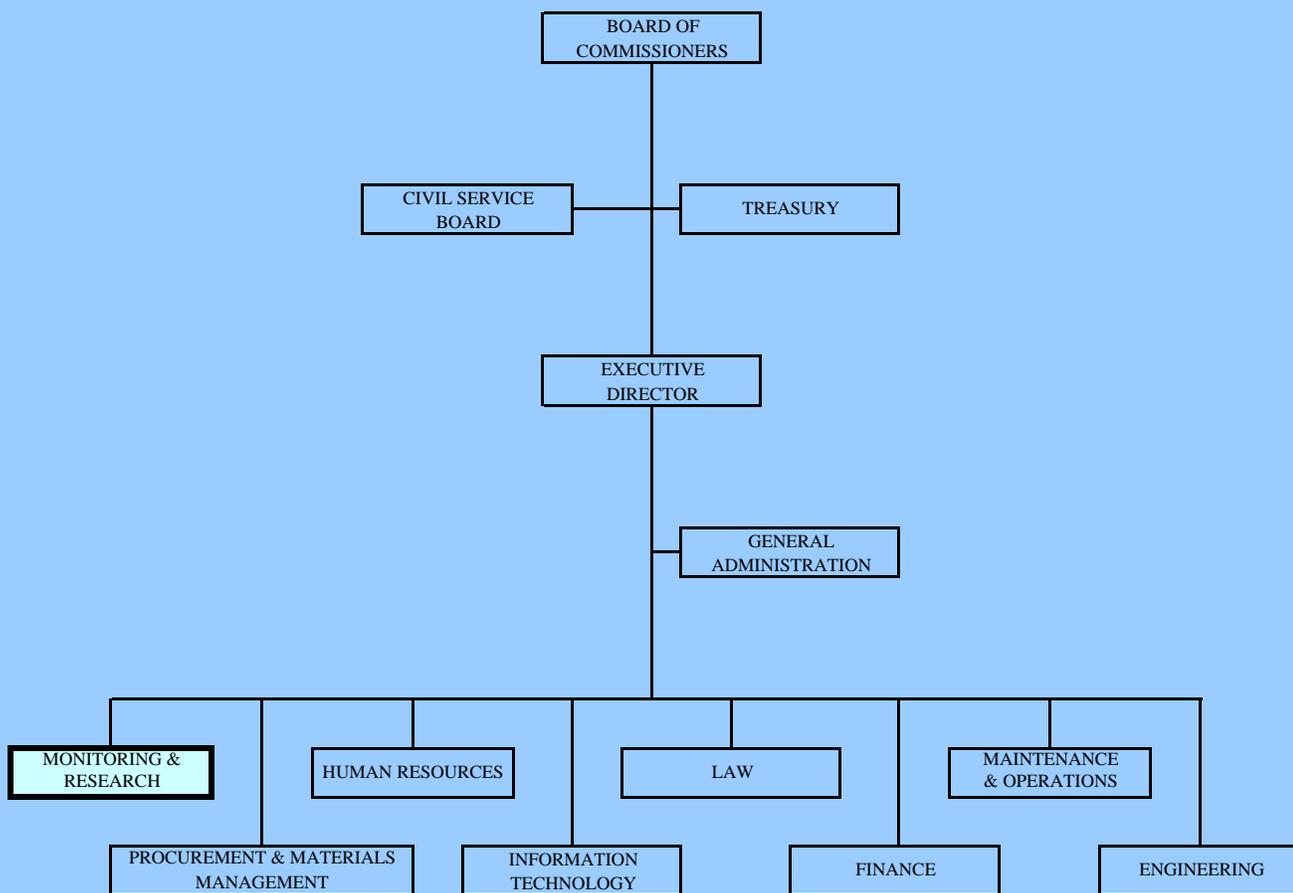
Fund: Corporate Dept: General Administration Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP17	Management Analyst III #2 (Senior Budget & Management Analyst) (New Grade HP16)	2	-		1	
HP16	Senior Budget & Management Analyst	2	4		3	
HP15	Management Analyst II #2 (Budget & Management Analyst) (New Grade HP14)	-	-		1	
HP14	Budget & Management Analyst	6	6		7	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
HP11	Administrative Specialist	-	1		1	
TOTAL	Central Budget Management Unit	12	12	1,107,544.36	14	1,356,404.66
TOTAL	Management & Budget Section	14	14	1,336,582.52	16	1,562,895.36
<b>080</b>	<b>Police Section</b>					
<b>081</b>	<b>Administrative Unit</b>					
HP18	Chief of Police	1	1		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	1		1	
TOTAL	Administrative Unit	2	2	232,466.26	2	234,481.00
<b>082</b>	<b>Police Main Office Building Complex Unit</b>					
NR2483	Police Officer	5	5		5	
TOTAL	Police Main Office Building Complex Unit	5	5	393,640.00	5	405,496.00
<b>083</b>	<b>Police North Service Area Unit</b>					
HP14	Police Sergeant	1	1		1	
NR2483	Police Officer	9	9		9	
TOTAL	Police North Service Area Unit	10	10	805,449.32	10	826,790.12
<b>084</b>	<b>Police Calumet Service Area Unit</b>					
HP14	Police Sergeant	1	1		1	
NR2483	Police Officer	10	10		10	
NR2483	Police Officer #1	1	1		-	
TOTAL	Police Calumet Service Area Unit	12	12	967,624.32	11	912,608.32
<b>085</b>	<b>Police Stickney Service Area Unit</b>					
HP16	Police Lieutenant	2	2		2	

Fund: Corporate Dept: General Administration Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Police Sergeant	5	5		5	
NR2483	Police Officer	23	23		23	
TOTAL	Police Stickney Service Area Unit	30	30	2,516,919.60	30	2,590,330.08
<b>086</b>	<b>Police Countywide Unit</b>					
NR2483	Police Officer	3	5		5	
TOTAL	Police Countywide Unit	3	5	393,640.00	5	405,496.00
TOTAL	Police Section	62	64	5,309,739.50	63	5,375,201.52
<b>090</b>	<b>Facilities Section</b>					
<b>091</b>	<b>Administrative Unit</b>					
HP17	Facilities Administrator	1	1		-	
HP16	Senior Budget & Management Analyst	-	-		1	
HP11	Administrative Specialist	2	2		2	
TOTAL	Administrative Unit	3	3	255,049.34	3	231,261.16
<b>096</b>	<b>Building Services Unit</b>					
HP15	Management Analyst II #2 (Budget & Management Analyst) (New Grade HP14)	1	-		-	
HP14	Budget & Management Analyst	-	1		1	
HP14	Chief Printing Press Operator	1	1		1	
HP12	Printing Press Operator	1	1		1	
HP11	Motor Vehicle Dispatcher Supervisor	1	1		1	
HP11	Administrative Specialist	2	2		2	
HP09	Motor Vehicle Dispatcher	2	2		2	
HP09	Administrative Clerk	4	4		3	
HP09	Administrative Clerk #1	-	-		1	
TOTAL	Building Services Unit	12	12	747,827.08	12	743,579.46
TOTAL	Facilities Section	15	15	1,002,876.42	15	974,840.62
TOTAL	Administrative Services Division	93	95	7,958,550.60	96	8,216,137.80

Fund: Corporate Dept: General Administration Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>072</b>	<b>Public Affairs Section</b>					
EX18	Public & Intergovernmental Affairs Officer	1	1		1	
EX06	Secretary to Officer	-	1		1	
HP17	Senior Public Affairs Specialist	1	-		-	
HP17	Senior Public Affairs Specialist #2 (New Grade HP16)	-	1		1	
HP15	Community Education Specialist #2 (Public Affairs Specialist) (New Grade HP14)	1	1		1	
HP15	Public Affairs Specialist	3	-		-	
HP15	Public Affairs Specialist #2 (New Grade HP14)	-	3		3	
HP13	Assistant Public Affairs Specialist #2 (Senior Administrative Specialist)	1	-		-	
HP13	Senior Administrative Specialist	-	1		1	
HP13	Graphic Artist	2	2		2	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
HP11	Administrative Specialist	-	1		1	
HP09	Administrative Clerk	1	1		1	
TOTAL	Public Affairs Section	11	12	1,031,208.10	12	1,086,968.74
TOTAL	General Administration	118	122	10,516,366.64	123	10,849,987.98

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.

**NOTE PAGE**



**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

Subject: 2017 Program for the Monitoring & Research Department

The Monitoring & Research Department's program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department's 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Monitoring & Research Department budget for 2017.

Respectfully submitted,

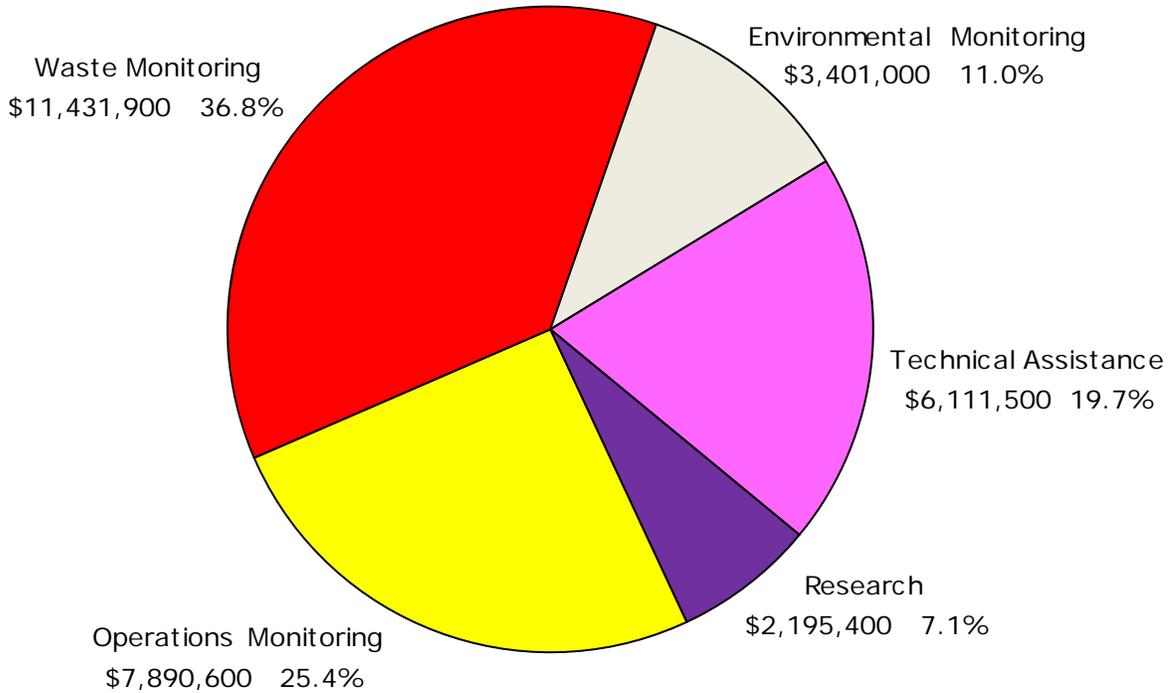


Thomas C. Granato  
Director of Monitoring & Research

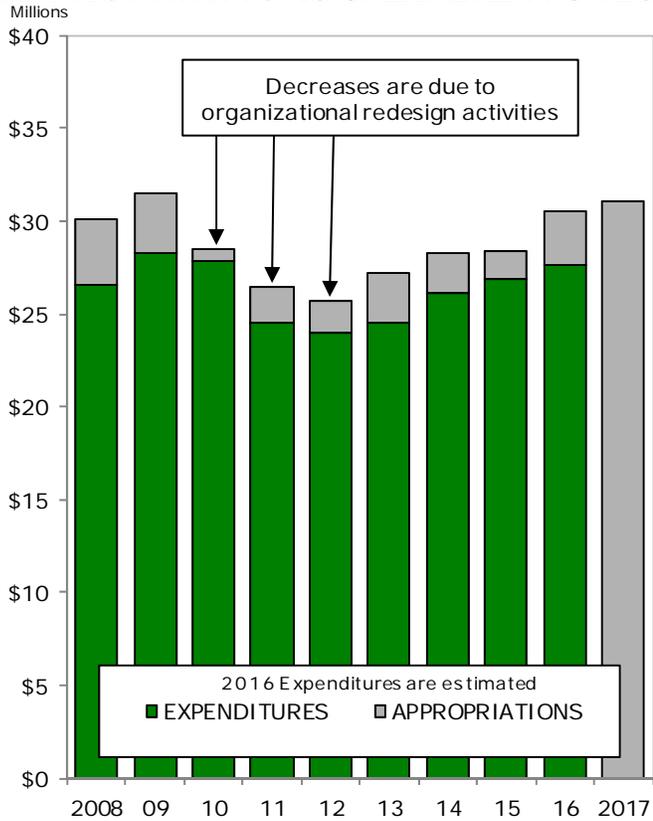
# MONITORING & RESEARCH

2017	\$31,030,400
2016	\$30,523,200
Increase	\$507,200

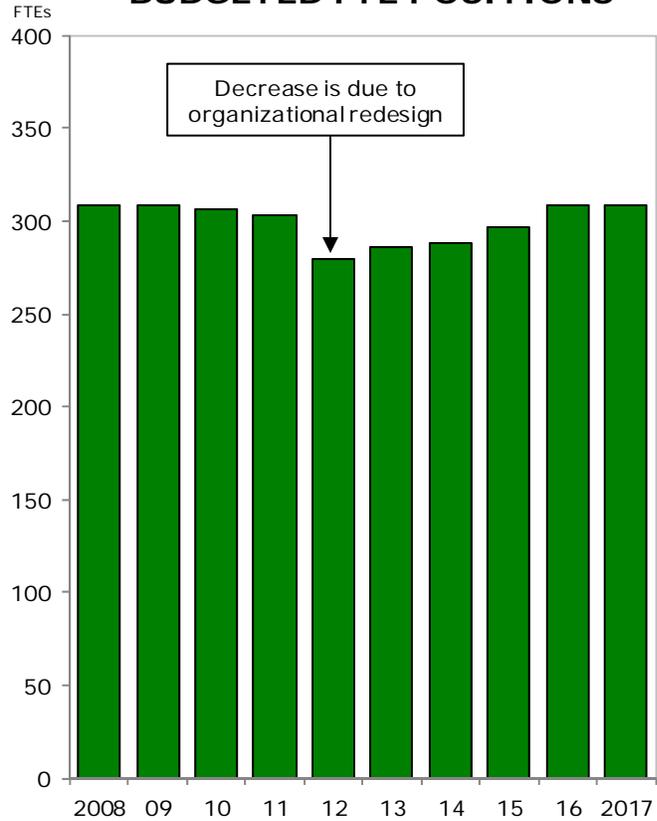
## FUNCTIONS



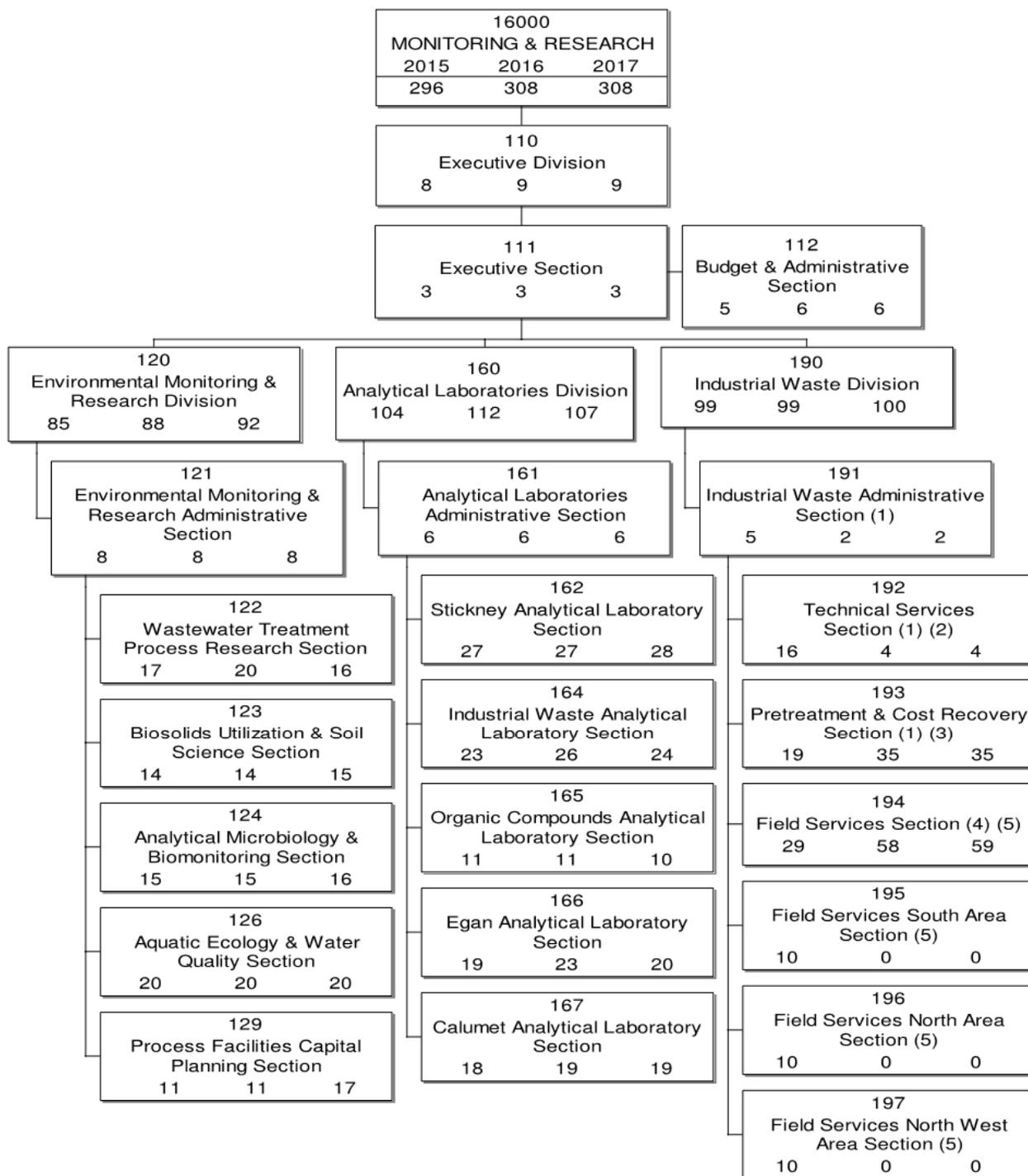
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# MONITORING & RESEARCH



- (1) Effective 01/01/16, four positions from Section 191 and 14 positions from Section 192 were transferred to Section 193.
- (2) Effective 01/01/16, Section 192 Enforcement was retitled Technical Services.
- (3) Effective 01/01/16, Section 193 User Charge & Technical Services was retitled Pretreatment & Cost Recovery.
- (4) Effective 01/01/16, Section 194 Field Services Central Area was retitled Field Services.
- (5) Effective 01/01/16, Sections 195, 196, and 197 were merged with Section 194.

## MONITORING & RESEARCH

**The Monitoring & Research (M&R) Department's mission is to dependably provide industrial waste program ordinance administration, cost-effective monitoring and surveillance, high quality analytical data, technical support, long-term planning, and research to protect and improve District facilities, operations, and the environment.**

### Departmental Summary

The department's primary responsibilities include:

- Monitoring liquid and solids process trains for operational control, regulatory compliance, and odor emissions;
- Administering the Pretreatment and User Charge programs in compliance with federal regulations;
- Monitoring improvements in water quality of area rivers, canals, and groundwater to document regulatory compliance;
- Process facility capital planning and technical assistance to address operational challenges and regulatory issues;
- Conducting applied research to improve and reduce the cost of District operations and to improve water quality.

### Summary of 2016 Accomplishments

- Redesigned the Lab Technician series, to promote cross-training, interchangeability, and operational efficiency;
- Developed an operational optimization plan for Lake Michigan discretionary diversion and aeration stations to meet water quality objectives in the Chicago Area Waterway System (CAWS);
- Completed the 2016 iteration of Long-Term Capital Planning for the District's process facilities to ensure that improvement plans are aligned with the District's Strategic Business Plan;
- Partnered with the city of Chicago and dozens of suburban entities for local beneficial use of 15,000 dry tons of biosolids;
- Continued phosphorus removal at five water reclamation plants (WRPs) for the purpose of meeting pending regulatory effluent concentration phosphorus limits at these WRPs;
- Screened and tested 20 high strength organic wastes to determine their suitability for acceptance under the Resource Recovery Program;
- Established four partnerships on field research initiative at the Fulton County site aimed to develop partnerships on implementing best management practices to reduce nutrient loss from agricultural land;
- Completed hydraulic and process modeling of the Calumet WRP to obtain information for planning capital improvements.

### Budget Highlights

The 2017 appropriation for M&R is \$31,030,400, an increase of \$507,200, or 1.7 percent, from the 2016 request. The staffing level remains unchanged at 308 positions. Various offsetting position changes occurred, as follows: One Aquatic Biologist, four Environmental Chemists, one Environmental Microbiologist, and one Laboratory Technician II were added. One Associate Civil Engineer, one Associate Electrical Engineer, two Associate Mechanical Engineers, and one Senior Mechanical Engineer were transferred into M&R from the Stickney Service Area Division of the Maintenance & Operations (M&O) Department. One Administrative Specialist, nine Laboratory Technician Is, and two Laboratory Technician IIs were dropped.

Significant features of the 2017 budget include:

- Lead the Phosphorus Task Force to study and implement biological phosphorus removal at five WRPs;
- Continue implementation of a District-wide Odor Reduction Strategy and complete the strategy for the O'Brien WRP;
- Conduct hydraulic and process modeling of the O'Brien WRP to obtain information for planning capital improvements;
- Continue to develop a District-wide Biosolids Strategy addressing final product utilization;
- Conduct the fifth year of a seven-year microbial source tracking study to determine the sources and distribution of microbes in primary contact reaches of the CAWS;
- Continue to lead the Mainstream Shortcut Biological Nitrogen Removal Task Force to study four approaches until the end of 2020 for potential implementation at District facilities;
- Redesign of the Environmental and Instrumentation Chemist series, to promote cross-training and reconfigure a technical support group to respond to increasing requests for analytical support for innovation projects;
- Continue to lead and develop the Resource Recovery Program, including evaluation of organic materials as a source of revenue, and a method of supporting the District's energy recovery, phosphorus removal, and biosolids composting initiatives.

**2017 Initiatives in Support of the Strategic Business Plan Include the Following:**

• **Add Value**

M&R has continuously sought to make improvements to its business practices and to maintain a clear focus on its mission, while striving to decrease the number of budgeted positions in an increasingly complex environment. This was completed while maintaining all essential technical support, analytical laboratory, and industrial waste program ordinance administration functions. This is a testament to M&R’s highly skilled, professional, and dedicated staff.

M&R generates an important revenue stream through the recovery of operations, maintenance, and replacement costs incurred from treating discharges from Commercial/Industrial and Tax-Exempt Users of the sewerage system and the costs of administering the District’s Pretreatment and User Charge Programs. The User Charge Program assesses charges to recover costs, beyond those recovered through payment of ad valorem property taxes, based on the volume of water discharged and the concentration of waste it contains. Estimated 2017 User Charge revenue, based on 2016 rates and a five-year (2011-2015) average of user clearing data, is \$47 million. The User Charge rates take into account the costs budgeted in the Corporate Fund for operations and maintenance, as well as in the Construction Fund for the required replacement of District facilities.

**Five-Year Trend in User Charge Revenue**

Year	User Charge Receipts
2013	\$53,801,653
2014	\$44,964,848
2015	\$48,476,512
2016 Estimated	\$47,500,000
2017 Projected	\$47,000,000

In 2017, M&R will administer approximately 3,800 User Charge accounts. Of these accounts, about 1,000 Commercial/Industrial and Tax-Exempt Users will be processed manually. M&R will conduct approximately 1,000 inspection and sampling events, and anticipates processing about 2,600 reports and filings to reconcile User Charge liabilities for these manual accounts. The remaining 2,800 accounts, which are all Tax-Exempt Users, were approved by M&R for automated processing. M&R remains vigilant in identifying and classifying new users, and in 2017, has a goal of identifying and classifying 50 new Large Commercial/Industrial and Tax-Exempt Users and 30 Small Nonresidential Commercial/Industrial User accounts. The District’s User Charge Ordinance allows for automated filing and clearing of User Charge accounts which reduces costs for the District and the users. M&R will continue to encourage users who are eligible for reduced reporting and self-monitoring to migrate to automated processing.

M&R will continue to implement some of the approved findings from the interdepartmental, long-term, process facility capital planning process. The review included District business initiatives, anticipated regulatory requirements, and community service level expectations. In addition, the District's capital plan was updated over a 20-year time frame. In 2017, M&R will continue to address issues associated with competing interests, as well as reducing the gaps in knowledge necessary to move forward with the approved planning strategy. Knowledge gaps to be addressed include updating the plant process and hydraulic models, as well as incorporating findings from the ongoing development of the District's Biosolids Strategy and Odor Reduction Strategy.

M&R will continue a collaborative research project with Argonne National Laboratory to develop microbial source tracking tools, methodologies, and assessments for the reaches of the CAWS that have been designated for primary contact recreation use by the Illinois Pollution Control Board. This is a multi-year project and M&R has \$288,500 in the Construction Fund, under research projects, to support it in 2017.

During 2017, M&R will implement the Thornton Composite Reservoir Post-Construction Monitoring Plan in the Calumet River System. Analysis of surface water quality during wet and dry conditions will demonstrate the benefits of additional Tunnel and Reservoir Plan (TARP) storage capacity and reduced combined sewer overflows.

The Biosolids Strategy focuses on reviewing the current operations and practices for sustainable biosolids management that is within the best interests of the District and its constituents and continues to be developed. M&R will continue to provide technical support to M&O in 2017 with the full-scale production of a value-added product by co-composting biosolids with wood chips and other vegetative wastes to produce exceptional quality biosolids compost for utilization in the Chicago metropolitan area. The production of compost will potentially reduce the cost of managing biosolids, increase public acceptance, and will have a greater economic value compared to air-dried, exceptional quality biosolids currently distributed under the Controlled Solids Distribution Program. M&R will conduct public outreach and marketing for utilization of the composted biosolids product. Markets will continue to be explored to reduce hauling cost to utilization sites and to generate revenue. M&R will also evaluate options to reduce biosolids production and operating costs, and increase digester gas production. M&R has \$100,000 in the Construction Fund, under research projects, to support these projects in 2017.

**• Excellence**

M&R is committed to automating and streamlining its business practices. Staff from M&R and the Information Technology Department (ITD) have worked together to further improve the Laboratory Information Management System to increase data processing and reporting and to enhance data acquisition from automated instruments. M&R will seek to further streamline operations by consolidating staffing and analyses. This is made possible in large part by reductions in discretionary monitoring of WRP processes, industrial users, and environmental impacts of District operations through a series of service level agreements between M&R and other departments and permitting authorities.

M&R is also committed to stopping pollution at its source by operating an effective Industrial Waste Pretreatment and Source Control Program in full compliance with all federal and state statutes. During 2017, the administration of the District’s Industrial Waste Pretreatment Program will require the issuance or renewal of Discharge Authorizations for approximately 70 Significant Industrial Users and the review of approximately 700 Continued Compliance Reports and 20 Spill Prevention, Containment, and Countermeasure Plans. During 2017, M&R will conduct approximately 6,400 inspections associated with administering the District’s Sewage and Waste Control Ordinance and will randomly sample and analyze at least 50 percent of the anticipated 1,800 chemical toilet disposals at the Stickney WRP. During 2017, M&R is not anticipating any substantial variation in the number of enforcement activities. As a result of the District’s Industrial Pretreatment Program, during 2017, all of the biosolids produced by the District are expected to meet the highest quality criteria in the United States Environmental Protection Agency (USEPA) Part 503 Regulation and the WRP effluents are expected to meet all National Pollution Discharge Elimination System (NPDES) permit limits for regulated industrial pollutants.

M&R provides first-response services for hazardous materials emergencies and complaints of pollution and will conduct approximately 180 investigations in response to requests from federal, state, and local agencies, municipalities, private citizens, self-reported industrial activities, and requests from the M&O Department in 2017.

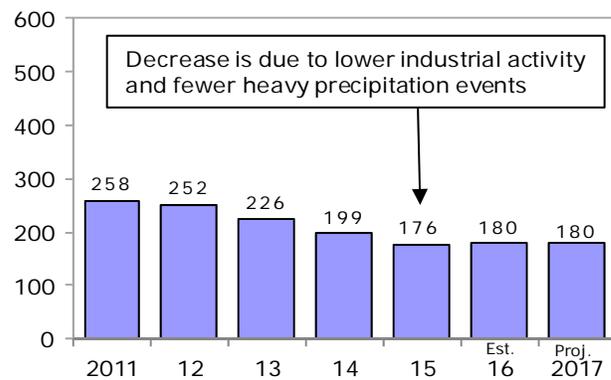
In 2017, M&R will collect and analyze approximately 1,300 samples from 164 TARP groundwater monitoring wells and two reservoirs and will compile six annual monitoring reports for the four TARP tunnel systems, including the Mainstream, Calumet, Des Plaines (below Weller Creek), and Upper Des Plaines (above Weller Creek – O’Hare) systems and two reservoirs, the Gloria Alitto Majewski Chicagoland Underflow Plan Reservoir and the Thornton Composite Reservoir, to meet the operating permit requirements of these facilities. M&R will also conduct groundwater monitoring at six biosolids management facilities, including the Hanover Park Fischer Farm, in accordance with permits issued by the Illinois Environmental Protection Agency (IEPA). In 2017, a total of 32 monitoring reports will be submitted to the IEPA.

M&R monitors the liquid and solids process trains daily at multiple critical control points at each of the seven WRPs to inform process control and to improve operations and the quality of effluents and biosolids, which will generate 596,560 projected tests in 2017. This includes chemical, biological, and microbiological monitoring, such as characterization of changes in microbial communities associated with operations and performance metrics to assess process stability and provide early warning of process upset such as the appearance of excess filamentous bacteria in mixed liquor. Whole effluent toxicity tests

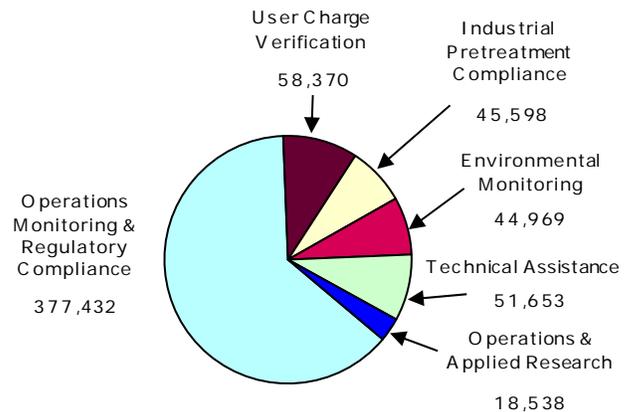
**Five-Year Trend in Enforcement Activities**

Year	Cease and Desist Orders
2013	90
2014	75
2015	71
2016 Estimated	80
2017 Projected	80

**Number of Emergency Responses**



**2017 Projected Laboratory Analyses by Program**



with fish (*Pimephales promelas*) and daphnids (*Ceriodaphnia dubia*) and fecal bacteria indicator analysis will be conducted as required by NPDES permits and federal regulations. M&R provides support to M&O by making non-proprietary reagents that are needed to operate online ammonia and chlorine analysis systems.

M&R will continue to collaborate with academic partners on National Science Foundation grant-funded research to assess impacts of effluent disinfection at the O'Brien and Calumet WRPs on endocrine active compounds and aquatic endpoints in receiving streams.

- **Resource Recovery**

In 2017, M&R will continue to implement plant-specific monitoring plans to evaluate the aeration requirement and nitrification capacity of each plant's batteries in an effort to identify areas where energy and cost savings could be achieved.

Nutrient enrichment of the water environment has become a national concern. M&R is leading the District's Phosphorus Removal and Recovery Task Force that will assist the M&O Department in optimizing Enhanced Biological Phosphorus Removal at the Stickney, Calumet, O'Brien, Kirie, and Hanover Park WRPs. The District is working with various industries to investigate using high strength waste at the Calumet and Stickney WRPs to improve biological phosphorus removal. M&R is in the preliminary stages of investigating technologies to reduce energy costs such as mainstream shortcut biological nitrogen removal, membrane aerated bioreactors, ammonia aeration control, co-digestion, and an anoxic zone in the aeration process. Additionally, M&R began demonstration testing of Enhanced Biological Phosphorus Removal at the Kirie and Hanover Park WRPs. In collaboration with Northwestern University and the University of Illinois at Urbana-Champaign, the M&R Department is also evaluating and developing molecular methods for monitoring nutrient removal processes. M&R will also continue work with the Engineering and M&O Departments to evaluate phycoremediation (algae-based) strategies to reduce nutrients in WRP effluent and to reduce the District's energy footprint.

The long-term, process facility capital planning effort incorporates the District's long-term financial model to help ensure that the District is addressing its goals with a financially responsible approach. The development of a long-term plan allows the District to focus on synergies using data-driven solutions, while providing time to concentrate on reducing knowledge gaps.

As part of its efforts to promote the use of biosolids within Cook County and by all the communities serviced by the District, M&R has been increasing its biosolids marketing activities by hosting an annual sustainability workshop.

M&R will continue to provide support to the District's efforts to recover phosphorus at the Stickney WRP.

- **Develop Employees**

M&R is committed to providing continuing education and professional development to all of its employees. M&R conducts a monthly environmental issues and research seminar series at the Lue-Hing Research and Development Complex which is video conferenced to more than five other facilities and is archived in streaming online video format through the web portal. The seminar series is approved by the Illinois Society of Professional Engineers for professional development credits and is available to all employees and the local community. Based on the 2,081 attendees in 2016, it is anticipated that attendance throughout the facilities for 2017 will be approximately 2,000.

M&R employees benefit from participation at local, regional, and national professional society meetings and workshops as speakers, session chairs and moderators, or committee chairs or members. M&R economizes where possible by providing its employees access to webinars which are presented by the Water Environment Federation, Water Environment Research Foundation, USEPA, National Environmental Laboratory Accreditation Conference Institute, American Chemical Society, and others. In 2017, M&R will continue to encourage professional staff to attend relevant conferences and view webinars to promote professional growth and request all staff to utilize the District's eLearning resources to enhance working knowledge and job skills. In addition, M&R continues to develop employees through cross-training and job shadowing opportunities.

M&R emphasizes employee safety in their working environment. M&R maintains a Chemical Hygiene Plan to ensure employee safety at its laboratories and conducts monthly safety training. Also, M&R plans to have its quality assurance staff, the Chemical Hygiene Officer, and Assistant Chemist Hygiene Officers attend Occupational Safety and Health Administration seminars.

- **Leading Partnerships**

The District conducts an Odor Monitoring Program to minimize or eliminate nuisance odors in the communities surrounding its facilities. In 2017, M&R will continue to lead the development of a District-wide Odor Reduction Strategy for the District's facilities, collection systems, and biosolids drying areas to target odor problem areas and reduce odors that may affect the communities that the District serves. Current efforts are focused on addressing known odorous processes and facilities and developing designs to address the issues that are prioritized to responsibly improve our operations.

The District has developed a sound biosolids Controlled Solids Distribution Program under a permit issued by the IEPA. Under this program, exceptional quality air-dried biosolids and composted biosolids are used as a soil amendment and fertilizer in the Chicago metropolitan area. This program reduces landscape management costs for local park districts and school districts that

participate. M&R will continue the promotion of biosolids, sustainability practices, and biosolids beneficial reuse awards to improve public awareness of the benefits of utilizing biosolids as a fertilizer and soil amendment through a sustainability workshop and other public events.

As part of the District's public image improvement efforts, M&R will continue to work with Public Affairs to develop talking points and fact sheets regarding important issues on water quality in the area waterways, public health risks of recreation on the waterways, risk of exposure to pathogens in wastewater-to-wastewater treatment plant operations, and utilizing biosolids for land application. M&R will continue to provide support to outreach activities such as school science fair projects, District laboratory tours, local public meetings, and parades.

M&R has been providing assistance to oversight agencies studying and controlling the migration of invasive aquatic species for decades. In 2017, M&R will continue to assist the United States Fish and Wildlife Service and the United States Army Corps of Engineers with surveillance for the presence of Asian carp (*Hypophthalmichthys spp.*) in the CAWS and the Great Lakes Mississippi River Interbasin Study, respectively.

M&R will also continue to provide support to the IEPA in 2017 by participating in various working groups for implementing the Illinois Nutrient Reduction Strategy and developing nutrient water quality standards for Illinois. M&R is also continuing to work through the Illinois Association of Wastewater Agencies in 2017 to partner with a consortium of agricultural industry organizations to investigate watershed approaches to improving water quality in the Illinois River basin. The activities under this partnership will include research and demonstration projects at the District's Fulton County site, collaborations under the United States Department of Agriculture's Regional Conservation Partnership Program, and collaboration with other utilities to implement practices to reduce nutrient loss from biosolids applied to farmland.

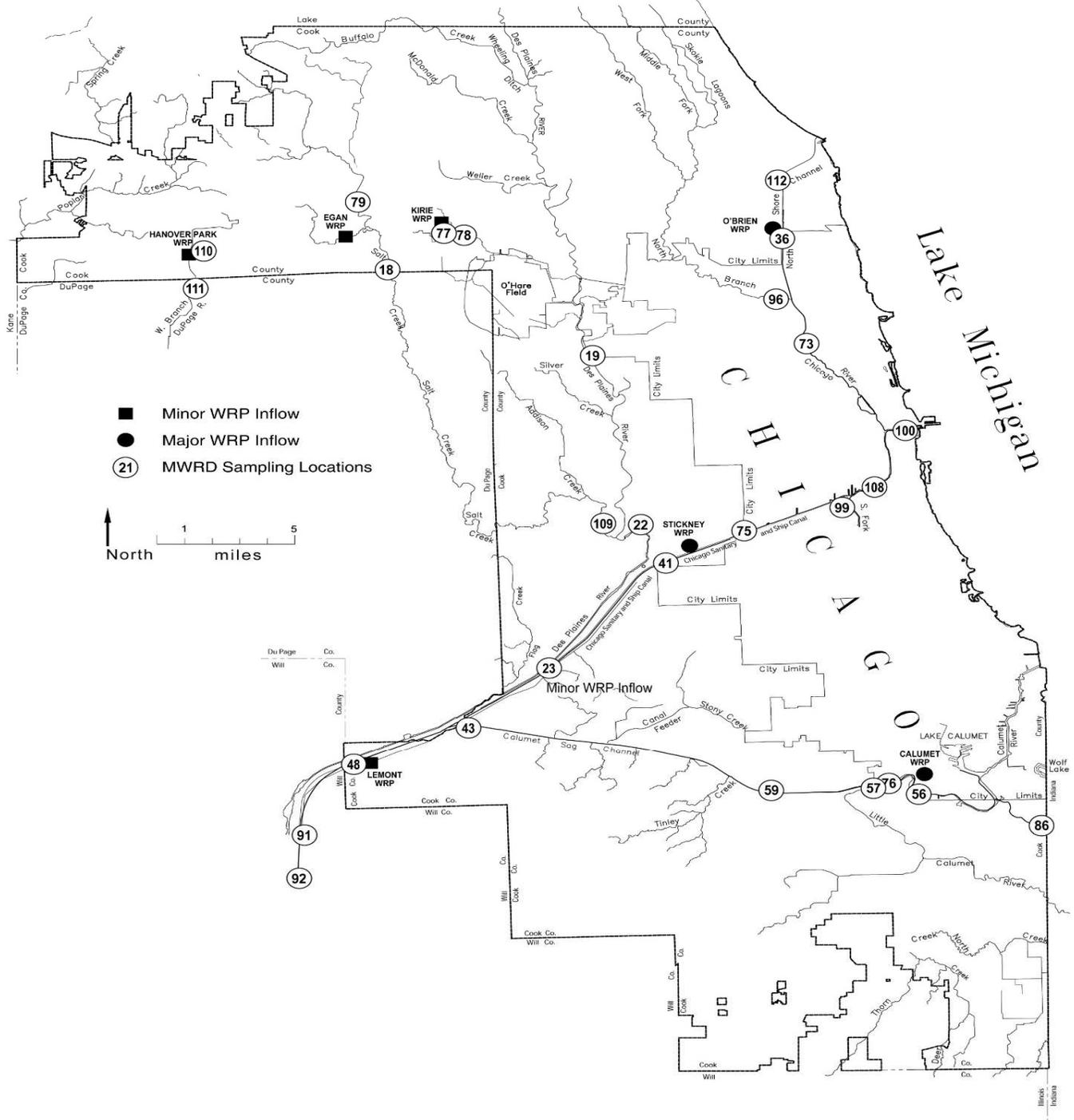
- **Technology**

The internet-based Publicly owned treatment works Administration and Compliance System (iPACS) is used to monitor Commercial/Industrial User compliance with USEPA regulations. A new version of iPACS, completed in 2014, has increased staff efficiency and maintains all Industrial Pretreatment Program data in a single database. In 2017, more enhancements to iPACS will allow M&R to continue implementing electronic management of assignment scheduling and reporting, as well as Industrial User self-reporting. In 2017, M&R and the ITD will continue to use consultants and in-house expertise to make enhancements to the Laboratory Information Management System V10 upgrade that will support the continued attainment of laboratory accreditation.

M&R will partner with the ITD to develop a software system to support program and project management related to process facility capital planning and wastewater treatment process research. The software will enable M&R managers to better track projects, allocate resources effectively, and deliver project results to meet customer needs.

# Monitoring & Research

## Environmental Monitoring Program 4672 – Waterways Sampling Stations



Operations of the District meet stringent standards contained in NPDES permits issued for each WRP. Processing and utilization of solids are regulated by IEPA permits and federal regulations. M&R monitors ambient water quality at 28 sampling locations, and operates 19 continuous dissolved oxygen monitoring stations in the shallow and deep-draft waterways within the District’s service area. The environmental information is used to demonstrate compliance with water quality standards and the beneficial effects of the District’s operational improvements on instream water quality. Fish sampling in the District service area is also conducted at 28 locations to characterize the ecological integrity of the waterways.

**16000 MONITORING & RESEARCH**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:		Cost	Percent
<b>1. PLANT OPERATIONS MONITORING:</b>			
Monitor the District's collection, treatment, and disposal operations to ensure compliance with National Pollution Discharge Elimination System, Illinois Environmental Protection Agency (IEPA), and other regulations.	Liquid Process Analyses	\$ 5,099,700	16.4%
	Solid Process Analyses	\$ 2,608,500	8.4%
	Air Quality Monitoring	\$ 182,400	0.6%
		<b>\$ 7,890,600</b>	<b>25.4%</b>
<b>2. INDUSTRIAL WASTE PROGRAMS:</b>			
Administer the Sewage and Waste Control Ordinance (Pretreatment Program), User Charge Ordinance (User Charge Program), Environmental Remediation Wastewater Ordinance, and Chemical Toilet Wastes Disposal Ordinance.  * Note: "SIUs" refers to Significant Industrial Users.	Residential Users	\$ 152,900	0.5%
	Tax-Exempt Users	\$ 1,374,400	4.4%
	Large Commercial/Industrial Users	\$ 3,501,100	11.3%
	Environmental Remediation	\$ 128,300	0.4%
	Chemical Toilet Waste	\$ 59,700	0.2%
	SIUs* - Pretreatment Program	\$ 3,469,000	11.2%
	SIUs* - Extraordinary Monitoring/Enforcement	\$ 1,762,000	5.7%
	Other Industrial Users	\$ 607,200	2.0%
	All Other - General	\$ 377,300	1.1%
		<b>\$ 11,431,900</b>	<b>36.8%</b>
<b>3. ENVIRONMENTAL MONITORING:</b>			
Monitor the quality of Lake Michigan and the waterways in order to detect and reduce the incidence of pollution.	Lake Michigan Monitoring	\$ 84,700	0.3%
	Waterways Monitoring	\$ 2,382,500	7.7%
	Inspection Events	\$ 247,400	0.8%
	Groundwater Monitoring	\$ 686,400	2.2%
	<b>\$ 3,401,000</b>	<b>11.0%</b>	
<b>4. TECHNICAL ASSISTANCE:</b>			
Conduct a program of independent review of plant operations and regular consultation and assistance for the solution of operating problems, provide technical assistance to other agencies upon request, provide review and response to proposed regulations issued by federal, state, and local governments, and provide long-term facility planning.	M&O Assistance	\$ 2,064,400	6.7%
	General Assistance	\$ 657,500	2.1%
	Regulatory Review and Response	\$ 830,700	2.7%
	Engineering Process Design Support	\$ 1,296,600	4.2%
	Regulatory Compliance Reporting	\$ 291,100	0.9%
	Facility Capital Planning	\$ 971,200	3.1%
	<b>\$ 6,111,500</b>	<b>19.7%</b>	
<b>5. OPERATIONS AND APPLIED RESEARCH:</b>			
Conduct operations and applied research for process improvement and cost reduction in District operations.		\$ 2,195,400	7.1%
	<b>Total</b>	<b>\$ 31,030,400</b>	<b>100.0%</b>

MEASURABLE GOALS:	2015	2016	2017
	Actual	Estimated	Proposed
1. Submit all required environmental monitoring reports on time.	100%	100%	100%
2. Maintain laboratory accreditation.	100%	100%	100%
3. Continue a seven-year microbiome microbial source monitoring study of the Chicago Area Waterways.	40%	50%	70%
4. Provide sample data for IEPA monitoring compliance reports by the 13th of the following month 100 percent on time.	100%	100%	100%
5. Provide sample data for industrial surveillance and User Charge and Technical Services Section by the 15th of the following month 100 percent on time.	100%	100%	100%
6. Provide water quality sample data by the 15th of the following month 100 percent on time.	100%	100%	100%

**16000 MONITORING & RESEARCH**

**OBJECTIVES AND PROGRAM SUMMARY**

MEASURABLE GOALS:	2015 Actual	2016 Estimated	2017 Proposed
7. Issue Discharge Authorizations in response to all Significant Industrial User requests and enforcement actions within the timeframes established under the Sewage and Waste Control Ordinance.	100%	100%	100%
8. Process User Charge Annual Certified Statements submitted by Commercial/Industrial Users by September 30th.	100%	100%	100%
9. Respond to emergency assistance requests from fire and police departments, citizens, state and federal agencies, municipalities, industries, and the District.	176	180	180

PROGRAMS BY PRIORITY:		2015 Actual	Budgeted		Change	
Number	Name		FTEs	Dollars	Dollars	Percent
4650	Operations Monitoring	\$ 6,760,403	2017 80	\$ 7,890,600	\$ 228,800	3.0
			2016 81	\$ 7,661,800		
4660	Waste Monitoring	\$ 10,292,402	2017 115	\$ 11,054,600	\$ (176,000)	(1.6)
			2016 116	\$ 11,230,600		
4670	Environmental Monitoring	\$ 2,530,070	2017 31	\$ 3,401,000	\$ (113,800)	(3.2)
			2016 31	\$ 3,514,800		
4680	Technical Assistance	\$ 5,195,019	2017 60	\$ 6,111,500	\$ 689,000	12.7
			2016 56	\$ 5,422,500		
4690	Operations and Applied Research	\$ 2,114,481	2017 22	\$ 2,195,400	\$ (157,100)	(6.7)
			2016 24	\$ 2,352,500		
7604	Social Security and Medicare Contributions	\$ -	2017 -	\$ 377,300	\$ 36,300	10.6
			2016 -	\$ 341,000		
Totals		\$ 26,892,375	2017 308	\$ 31,030,400	\$ 507,200	1.7%
			2016 308	\$ 30,523,200		

- a) Increase is due to the creation of a Research Associate Program (\$150,000) and a Fat, Oil, and Grease Solid-Phase Extraction System (\$91,000), offset by reductions in analytical analyses (\$10,100), lab supplies (\$1,000), and hi-purity acids and other chemicals (\$2,000).
- b) Decrease is due to reductions in overtime (\$41,400) resulting from position vacancies and retirements, the purchase of an Automatic Chemical Oxygen Demand Analysis System in 2016 (\$70,000), and the purchase of a Hexachrome Ion Chromatograph System in 2016 (\$55,000).
- c) Decrease is due to the reduced need for Tunnel and Reservoir Plan (TARP) well sampling (\$90,800), collaboration with the agricultural sector (\$9,700), the purchase of pH meters for TARP and ambient water quality monitoring (\$1,000), and the service and repair of small boats (\$14,900).
- d) Increase is due to the addition of two Associate Mechanical Engineer positions (\$209,700), one Associate Electrical Engineer position (\$104,800), one Associate Civil Engineer position (\$104,800), one Senior Mechanical Engineer position (\$131,600), and the reallocation of personnel from other M&R programs (\$137,500) to support the Capital Planning Section.
- e) Decrease is due to the reassignment of personnel to other programs (\$97,000), reduced need for collaboration with local institutions (\$11,500), and sampling equipment for Fulton County (\$45,000).

**16000 MONITORING & RESEARCH**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
4650	Operations Monitoring: Monitoring of treatment plant operations to inform operations and comply with permits and regulations					
4652	Liquid Monitoring	Liquid Process Analyses	530,475	-	-	
		Cost	\$ 4,500,143	\$ -	\$ -	
		Cost/Analysis	\$ 8.48	\$ -	\$ -	
	- Liquid Process Treatment Analyses by Location:	North Service Area Lab	302,842	-	-	
		Stickney Lab	84,630	-	-	
		Calumet Lab	143,003	-	-	
	Liquid Monitoring: Monitoring of the District's liquid process trains (primarily effluent) to inform operations and comply with permits and regulations	Liquid Process Analyses	-	234,122	254,716	
		Program Cost	\$ -	\$ 4,906,800	\$ 5,099,700	a)
		Program Cost/Analysis	\$ -	\$ 20.96	\$ 20.02	
4653	Solids Monitoring	Solids Process Analyses	109,111	-	-	
		Cost	\$ 2,260,260	\$ -	\$ -	
		Cost/Analysis	\$ 20.72	\$ -	\$ -	
	- Solids Process Treatment Analyses by Location:	North Service Area Lab	25,167	-	-	
		Stickney Lab	51,188	-	-	
		Calumet Lab	32,756	-	-	
	Solids Monitoring: Monitoring of the District's sludge and biosolids generated from the wastewater treatment process to inform operations and comply with permits and regulations	Number of Analyses	-	91,194	122,716	b)
		Program Cost	\$ -	\$ 2,579,500	\$ 2,608,500	
		Program Cost/Analysis	\$ -	\$ 28.29	\$ 21.26	
4654	Air Monitoring: Air quality monitoring at the District's WRPs and solids management areas to comply with regulations, and identify odors affecting surrounding areas resulting in citizen complaints	Number of Analyses	-	8,580	400	c)
		Sampling Events	-	2,860	30	c)
		Program Cost	\$ -	\$ 175,500	\$ 182,400	
		Program Cost/Analysis	\$ -	\$ 20.45	\$ 456.00	
4660	Waste Monitoring: Activities associated with sampling, analysis, enforcement, and administration of Users so classified below to monitor compliance with the User Charge and Pretreatment Programs					
4661	User Charge Ordinance - Residential and Small Non-Residential Commercial/Industrial Users (6,028 Small Nonresidential Commercial/Industrial Users)	Administration Costs	\$ 146,333	\$ -	\$ -	
		Number of Users	6,201	6,300	6,300	
	User Charge Ordinance - Residential and Small Non-Residential Commercial/Industrial Users	Program Cost	\$ -	\$ 147,700	\$ 152,900	
		Program Cost/User	\$ -	\$ 23.44	\$ 24.27	

a) Increase is due to the creation of a Research Associate Program (\$150,000), a Fat, Oil, and Grease Solid-Phase Extraction System (\$91,000), a gas chromatograph and mass spectrometer (\$60,000), and consulting services for analysis of high strength organic waste (\$25,000), offset by the reduced need for outside Laboratory Technicians (\$56,100), severance payouts (\$63,900), and compensation for overtime (\$39,400) resulting from position vacancies and retirements.

b) Increase in the number of analyses is based on actual data collected for the first half of 2016.

c) Decrease in the number of analyses and sampling events is based on actual data collected for the first half of 2016.

**16000 MONITORING & RESEARCH**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated			
4662	User Charge Ordinance - Tax-Exempt Users	Administration Costs	\$ 1,242,888	\$ -	\$ -			
		Number of Users	3,074	-	-			
		Revenue	\$ 18,421,075	\$ -	\$ -			
		Revenue/User	\$ 5,992.54	\$ -	\$ -			
		Number of Users	-	3,082	3,120			
		Program Cost	\$ -	\$ 1,413,800	\$ 1,374,400			
	User Charge Ordinance - Tax-Exempt Users	Program Cost/User	\$ -	\$ 458.73	\$ 440.51			
		Revenue	\$ -	\$ 18,800,000	\$ 17,860,000	d)		
		Revenue/User	\$ -	\$ 6,099.94	\$ 5,724.36			
		4663	User Charge Ordinance - Large Commercial/Industrial Users	Number of Users	676	-	-	
				Waste Monitoring Analyses	59,087	-	-	
				Revenue	\$ 30,055,437	\$ -	\$ -	
Monitoring Cost	\$ 3,280,508			\$ -	\$ -			
Revenue/User	\$ 44,460.71			\$ -	\$ -			
Monitoring Cost/User	\$ 4,852.82			\$ -	\$ -			
	User Charge Ordinance - Large Commercial/Industrial Users	Accounts	3,780	-	-			
		Number of Users	-	686	680			
		Program Cost	\$ -	\$ 3,690,600	\$ 3,501,100	e)		
		Program Cost/User	\$ -	\$ 5,379.88	\$ 5,148.68			
		Revenue	\$ -	\$ 30,200,000	\$ 29,140,000	d)		
		Revenue/User	\$ -	\$ 44,023.32	\$ 42,852.94			
	User Charge Ordinance - Large Commercial/Industrial Users	Industrial Waste Monitoring Analyses	-	58,378	58,370			
		Program Cost/Analysis	\$ -	\$ 63.22	\$ 59.98			
		4664	Environmental Remediation	Permits	8	-	-	
				Cost	\$ 29,129	\$ -	\$ -	
				Cost/Permit	\$ 3,641.13	\$ -	\$ -	
			Environmental Remediation Wastewater Ordinance	Permits Issued	-	15	15	
Program Cost	\$ -			\$ 107,600	\$ 128,300	f)		
Program Cost/Permit	\$ -			\$ 7,173.33	\$ 8,553.33			
4665	Septic Tank and Chemical Toilet Wastes Administration	Permits	3	-	-			
		Cost	\$ 43,487	\$ -	\$ -			
		Cost/Permit	\$ 14,495.67	\$ -	\$ -			
	Chemical Toilet Wastes Disposal Ordinance	Permits Issued	-	3	3			
		Program Cost	\$ -	\$ 60,400	\$ 59,700			
		Program Cost/Permit	\$ -	\$ 20,133.33	\$ 19,900.00			

d) Decrease is due to the reduced billing rates for biochemical oxygen demand and suspended solids loading.

e) Decrease is due to the reductions in overtime (\$41,400) resulting from position vacancies and retirements, the purchase of an Automatic Chemical Oxygen Demand Analysis System in 2016 (\$70,000), and the purchase of a Hexachrome Ion Chromatograph System in 2016 (\$55,000).

f) Increase is due to the reassignment of personnel from other programs (\$20,700).

**16000 MONITORING & RESEARCH**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated		
4666	Sewage and Waste Control Ordinance - SIU Minimum Regulatory Requirement Activities	Administration Costs	\$ 3,223,505	\$ -	\$ -		
		Number of SIUs	360	-	-		
		Cost/SIU	\$ 8,954.18	\$ -	\$ -		
	Sewage and Waste Control Ordinance - SIU Minimum Regulatory Requirement Activities: Annual sampling and inspection of SIU facilities, as required by federal regulation	Waste Monitoring Analyses	36,364	-	-		
		Number of SIUs	-	360	355		
		Waste Monitoring Analyses	-	43,552	45,598		
		Program Cost	\$ -	\$ 3,492,700	\$ 3,469,000		
		Program Cost/Analysis	\$ -	\$ 80.20	\$ 76.08		
		Program Cost/SIU	\$ -	\$ 9,701.94	\$ 9,771.83		
4667	Sewage and Waste Control Ordinance - SIU Extraordinary Monitoring and Enforcement Activities	Administration Costs	\$ 1,697,185	\$ -	\$ -		
		Number of SIUs	128	-	-		
		Cost/SIU	\$ 13,259.26	\$ -	\$ -		
	Sewage and Waste Control Ordinance - SIU Extraordinary Monitoring and Enforcement Activities: of SIUs that have been the subject of violation-related enforcement actions to verify compliance through inspection and/or sampling	Number of SIUs	-	120	120		
		Program Cost	\$ -	\$ 1,714,400	\$ 1,762,000		
4668	Other Industrial Users	Administration Costs	\$ 590,225	\$ -	\$ -		
		Number of IUs	320	-	-		
		Cost/IU	\$ 1,844.45	\$ -	\$ -		
	Sewage and Waste Control Ordinance - Other Industrial Users: Inspection and/or sampling for surveillance	Number of IUs	-	326	326		
		Program Cost	\$ -	\$ 603,400	\$ 607,200		
	Program Cost/IU	\$ -	\$ 1,850.92	\$ 1,862.58			
4669	Waste Monitoring - All Other - General	Administration Costs	\$ 39,142	\$ -	\$ -		
4670	Environmental Monitoring: Regulatory required monitoring or discretionary sampling and analysis to address or evaluate the impact of wastewater conveyance, treatment, and discharge of treated effluent on local surface water and groundwater						
4671	Lake Michigan Monitoring	Sampling Events	110	-	-		
		Environmental Analyses	80	-	-		
		Cost	\$ 85,061	\$ -	\$ -		
	Lake Michigan Monitoring: Sampling and analysis to determine the impact of Combined Sewer Overflow backflow, due to storm events, on the water quality of Lake Michigan	Sampling Events	-	140	-	g)	
		Environmental Analyses	-	93	115		
		Number of Backflows	-	5	-	g)	
		Program Cost	\$ -	\$ 85,300	\$ 84,700		
		Program Cost/Analysis	\$ -	\$ 917.20	\$ 736.52		

g) Sampling events are based on the actual occurrences of backflows, which are not predictable occurrences. Therefore, the actual data pertaining to occurrences for 2016 will be determined in 2017, and data for 2017 will be determined in 2018.



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**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
4682	General Assistance to All Other Departments	Number of Responses	237	-	-	
		Number of Analyses	11,144	-	-	
		Number of Sampling Events	524	-	-	
		Cost	\$ 651,137	\$ -	\$ -	
	General Assistance to All Other Departments: Technical assistance based on requests, primarily to the Law Department	Responses Completed	-	278	74	k)
		Number of Analyses	-	6,089	2,950	k)
		Sampling Events	-	40	2	k)
		Program Cost	\$ -	\$ 612,200	\$ 657,500	
		Program Cost/Analysis	\$ -	\$ 100.54	\$ 222.88	
		Program Cost/Sampling Event	\$ -	\$ 15,305.00	\$ 328,750.00	
4683	Regulatory Review and Response	Number of Responses	213	-	-	
		Sampling Events	-	-	-	
		Cost	\$ 857,130	\$ -	\$ -	
	Regulatory Review and Response: Review of current or pending federal, state, and local regulations to determine the impact and cost on District operations	Responses Completed	-	222	330	l)
	Program Cost	\$ -	\$ 888,800	\$ 830,700		
4684	Engineering Process Design Support	Number of Analyses	34,449	-	-	
		Number of Responses	210	-	-	
		Sampling Events	314	-	-	
		Cost	\$ 1,300,162	\$ -	\$ -	
		Cost/Analysis	\$ 37.74	\$ -	\$ -	
	Engineering Process Design Support: Technical assistance to the Engineering Department to improve District facilities and optimize process design	Number of Analyses	-	34,682	22,576	m)
		Responses Completed	-	176	191	
		Sampling Events	-	270	270	
		Program Cost	\$ -	\$ 1,284,100	\$ 1,296,600	
		Program Cost/Analysis	\$ -	\$ 37.02	\$ 57.43	
4685	Regulatory Compliance Reporting	Reports	56	-	-	
		Number of Analyses	413	-	-	
		Cost	\$ 350,930	\$ -	\$ -	
		Cost/Analysis	\$ 849.71	\$ -	\$ -	
	Regulatory Compliance Reporting: Preparation of reports and letters required by regulatory agencies, such as USEPA and IEPA, to comply with permits and other regulatory requirements or to justify modifications of regulatory requirements	Reports/ Data Transmittal Letters	-	65	65	
		Number of Analyses	-	7	12	n)
		Program Cost	\$ -	\$ 262,300	\$ 291,100	
		Program Cost/Analysis	\$ -	\$ 37,471.43	\$ 24,258.33	

k) Decrease in the number of responses is based on the actual requests for assistance received for the first half of 2016. Decrease in the number of analyses is based on actual data collected for the first half of 2016. Decrease in the number of sampling events is based on requests received during the first half of 2016.

l) Increase in the number of responses is based on the actual requests for reviews received during the first half of 2016.

m) Decrease in the number of analyses is due to the analyses being conducted primarily under the Solids Monitoring program.

n) Increase in the number of analyses is based on the anticipated need for special reporting.

**16000 MONITORING & RESEARCH**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
4686	Facility Capital Planning and Capital/Maintenance Project Evaluations	Cost	\$ 294,947	\$ -	\$ -	
	Facility Capital Planning and Capital/Maintenance Project Evaluations: Activities to develop, facilitate, rank, and document the District's capital plan alternatives to improve the District's treatment plant processes and infrastructure	Program Cost	\$ -	\$ 625,200	\$ 971,200	o)
4690	Operations and Applied Research	Research Projects	421	-	-	
		Laboratory Analyses	18,380	-	-	
		Cost	\$ 2,114,481	\$ -	\$ -	
		Sampling Events	1,747	800	1,831	p)
	Operations and Applied Research: Basic and applied research to generate information to improve District operations, evaluate the impact of District activities on the environment, and to address the potential impact of regulations on District operations	Research Projects	-	160	450	p)
		Laboratory Analyses	-	13,956	18,538	p)
		Program Cost	\$ -	\$ 2,352,500	\$ 2,195,400	p)
		Program Cost/Analysis	\$ -	\$ 168.57	\$ 118.43	
7604	Social Security and Medicare Contributions	Program Cost	\$ -	\$ 341,000	\$ 377,300	
<b>Totals</b>			<b>\$ 26,892,375</b>	<b>\$ 30,523,200</b>	<b>\$ 31,030,400</b>	

- o) Increase is due to the addition of one Senior Mechanical Engineer position (\$26,300), two Associate Mechanical Engineer positions (\$62,900), one Associate Electrical Engineer position (\$41,900), one Associate Civil Engineer position (\$83,900), and the reallocation of M&R personnel from other programs (\$137,500) to support the Capital Planning Section.
- p) Increase in the number of sampling events, research projects, and laboratory analyses is based on actual data collected during the first half of 2016. Decrease in program cost is due to the reassignment of personnel to other programs (\$97,000), and reduced need for collaboration with local institutions (\$11,500), sampling equipment for Fulton County (\$45,000), and a crop and field contract (\$25,000).

101 16000	Fund: Corporate Department: Monitoring & Research Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 24,596,325	\$ 26,703,000	\$ 26,703,000	\$ 18,033,877	\$ 24,627,200	\$ 27,522,600	\$ -
601060	Compensation Plan Adjustments	715,704	970,900	970,900	514,886	650,300	677,400	-
601070	Social Security and Medicare Contributions	-	341,000	341,000	255,683	341,000	377,300	-
601080	Salaries of Nonbudgeted Employees	28,346	-	-	-	-	4,500	-
601100	Tuition and Training Payments	49,501	50,000	50,000	35,140	45,000	55,000	-
601170	Payments for Professional Services	54,930	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	25,444,807	28,064,900	28,064,900	18,839,586	25,663,500	28,636,800	-
612010	Travel	8,476	15,000	15,000	6,531	10,000	15,000	-
612030	Meals and Lodging	29,733	30,000	30,000	20,176	29,500	29,200	-
612040	Postage, Freight, and Delivery Charges	4,576	5,500	5,500	5,393	4,500	4,900	-
612050	Compensation for Personally-Owned Automobiles	28,446	30,000	30,000	20,662	29,000	25,000	-
612080	Motor Vehicle Operating Services	570	1,200	1,200	479	1,000	600	-
612090	Reprographic Services	539	900	900	400	800	600	-
612170	Water and Water Services	405	500	500	500	500	500	-
612330	Rental Charges	2,161	5,000	5,000	3,682	3,000	3,600	-
612410	Governmental Service Charges	17,000	17,000	17,000	13,600	17,000	17,000	-
612430	Payments for Professional Services	-	163,500	163,500	105,108	82,800	330,100	-
612490	Contractual Services, N.O.C.	234,930	828,000	790,500	358,002	537,500	520,100	-
612790	Repairs to Marine Equipment	20,299	65,400	65,400	53,863	50,000	50,800	-
612970	Repairs to Testing and Laboratory Equipment	391,158	444,100	444,100	396,410	400,000	416,400	-
200	TOTAL CONTRACTUAL SERVICES	738,294	1,606,100	1,568,600	984,804	1,165,600	1,413,800	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	24,995	37,700	37,700	30,507	27,000	25,600	-
623530	Farming Supplies	22,894	24,700	37,800	26,555	37,000	34,000	-
623570	Laboratory Testing Supplies, Small Equipment, and Chemicals	313,375	350,000	374,400	352,161	374,400	349,600	-
623700	Wearing Apparel	15,677	22,900	22,900	22,512	15,000	16,100	-
623720	Books, Maps, and Charts	161	2,000	2,000	885	1,000	900	-
623810	Computer Supplies	2,246	3,000	6,000	4,680	2,600	2,200	-

101 16000		Fund: Corporate Department: Monitoring & Research Division:		LINE ITEM ANALYSIS				
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
623820	Fuel	10,547	21,600	21,600	19,200	11,000	14,800	-
623990	Materials and Supplies, N.O.C.	53,310	50,300	47,300	44,103	45,000	57,600	-
300	TOTAL MATERIALS AND SUPPLIES	443,206	512,200	549,700	500,604	513,000	500,800	-
634970	Testing and Laboratory Equipment	266,068	340,000	340,000	331,428	250,000	479,000	-
400	TOTAL MACHINERY AND EQUIPMENT	266,068	340,000	340,000	331,428	250,000	479,000	-
<b>TOTAL MONITORING &amp; RESEARCH</b>		<b>\$ 26,892,375</b>	<b>\$ 30,523,200</b>	<b>\$ 30,523,200</b>	<b>\$ 20,656,422</b>	<b>\$ 27,592,100</b>	<b>\$ 31,030,400</b>	<b>\$ -</b>

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).

Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>110</b>	<b>Executive Division</b>					
<b>111</b>	<b>Executive Section</b>					
EX11	Director of Monitoring & Research	1	1		1	
EX06	Secretary to Officer	1	1		1	
HP11	Administrative Specialist	1	1		1	
TOTAL	Executive Section	3	3	410,483.58	3	414,919.44
<b>112</b>	<b>Budget &amp; Administrative Section</b>					
HP23	Deputy Director of Monitoring & Research	-	-		1	
HP22	Deputy Director of Monitoring & Research	-	1		-	
HP18	Supervising Budget & Management Analyst	1	1		1	
HP17	Management Analyst III #2 (Senior Budget & Management Analyst) (New Grade HP16)	1	1		1	
HP14	Budget & Management Analyst	2	2		2	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	1		-	
HP11	Administrative Specialist	-	-		1	
TOTAL	Budget & Administrative Section	5	6	721,141.20	6	761,494.76
TOTAL	Executive Division	8	9	1,131,624.78	9	1,176,414.20
<b>120</b>	<b>Environmental Monitoring &amp; Research Division</b>					
<b>121</b>	<b>Environmental Monitoring &amp; Research Administrative Section</b>					
HP22	Assistant Director of Monitoring & Research	-	-		1	
HP21	Assistant Director of Monitoring & Research	1	1		-	
HP20	Environmental Monitoring & Research Manager	1	1		1	
HP20	Managing Civil Engineer	1	1		1	
HP18	Biostatistician	1	1		1	
HP17	Senior Environmental Research Scientist	1	1		-	
HP15	Associate Civil Engineer	-	-		1	
HP13	Senior Administrative Specialist	1	1		1	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	1		-	

Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP11	Administrative Specialist	1	1		2	
TOTAL	Environmental Monitoring & Research Administrative Section	8	8	1,052,772.76	8	1,032,544.50
	<b>122 Wastewater Treatment Process Research Section</b>					
HP18	Supervising Environmental Research Scientist	1	1		1	
HP17	Senior Environmental Research Scientist	3	3		3	
HP15	Associate Environmental Research Scientist	4	4		3	
HP13	Senior Environmental Research Technician	-	1		1	
HP11	Administrative Specialist	1	1		1	
HP11	Environmental Research Technician	-	1		2	
HP11	Laboratory Technician II	2	1		3	
HP11	Laboratory Technician II #1	-	1		-	
HP11	Laboratory Technician II #2 (Environmental Research Technician)	-	1		1	
HP10	Laboratory Technician I	5	3		1	
HP10	Laboratory Technician I #1	-	2		-	
HP10	Laboratory Technician I #4	1	1		-	
TOTAL	Wastewater Treatment Process Research Section	17	20	1,633,459.36	16	1,367,555.02
	<b>123 Biosolids Utilization &amp; Soil Science Section</b>					
HP18	Supervising Environmental Soil Scientist	1	1		1	
HP17	Senior Environmental Soil Scientist	2	2		2	
HP15	Associate Environmental Soil Scientist	3	3		3	
HP15	Environmental Chemist	-	-		1	
HP14	Assistant Environmental Chemist	1	1		-	
HP14	Assistant Environmental Chemist #1	-	-		1	
HP11	Administrative Specialist	1	1		1	
HP11	Field & Laboratory Technician	2	-		-	
HP11	Environmental Research Technician	-	2		3	
HP11	Laboratory Technician II	2	-		1	
HP11	Laboratory Technician II #2 (Environmental Research Technician)	-	2		1	

Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP10	Laboratory Technician I	1	1		-	
HP09	Laboratory Assistant	1	1		1	
TOTAL	Biosolids Utilization & Soil Science Section	14	14	1,180,568.22	15	1,248,083.72
<b>124</b>	<b>Analytical Microbiology &amp; Biomonitoring Section</b>					
HP18	Supervising Environmental Microbiologist	1	1		1	
HP17	Senior Environmental Microbiologist	1	1		1	
HP16	Associate Environmental Microbiologist	1	1		-	
HP16	Associate Environmental Microbiologist #2 (Environmental Microbiologist) (New Grade HP15)	-	-		1	
HP15	Environmental Microbiologist	-	-		1	
HP14	Assistant Environmental Microbiologist	1	1		-	
HP14	Assistant Environmental Microbiologist #1	-	-		1	
HP13	Senior Laboratory Technician	-	1		1	
HP11	Administrative Specialist	1	1		1	
HP11	Laboratory Technician II	2	1		5	
HP11	Laboratory Technician II #4	2	2		2	
HP10	Laboratory Technician I	4	4		-	
HP09	Laboratory Assistant	2	2		2	
TOTAL	Analytical Microbiology & Biomonitoring Section	15	15	1,101,863.36	16	1,179,074.52
<b>126</b>	<b>Aquatic Ecology &amp; Water Quality Section</b>					
HP18	Supervising Aquatic Biologist	1	1		1	
HP17	Senior Aquatic Biologist	1	1		1	
HP16	Associate Aquatic Biologist	2	2		-	
HP16	Associate Aquatic Biologist #2 (Aquatic Biologist) (New Grade HP15)	-	-		2	
HP15	Aquatic Biologist	-	-		1	
HP14	Assistant Aquatic Biologist	1	1		-	
HP14	Assistant Aquatic Biologist #1	-	-		1	
HP13	Senior Environmental Research Technician	-	1		1	

Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP11	Environmental Research Technician	-	1		1	
HP11	Laboratory Technician II	4	-		2	
HP11	Laboratory Technician II #1	-	1		-	
HP11	Laboratory Technician II #2 (Environmental Research Technician)	-	2		2	
HP10	Laboratory Technician I	2	2		-	
NR6441	Patrol Boat Operator	3	2		2	
NR3642	Pollution Control Technician II	2	2		2	
NR3641	Pollution Control Technician I	4	4		4	
TOTAL	Aquatic Ecology & Water Quality Section	20	20	1,543,784.58	20	1,612,573.04
<b>129</b>	<b>Process Facilities Capital Planning Section</b>					
HP18	Principal Civil Engineer	1	1		1	
HP17	Senior Civil Engineer	2	2		2	
HP17	Senior Electrical Engineer	1	1		1	
HP17	Senior Environmental Research Scientist	1	1		2	
HP17	Senior Mechanical Engineer	1	1		2	
HP15	Associate Civil Engineer	2	2		2	
HP15	Associate Electrical Engineer	1	1		2	
HP15	Associate Environmental Research Scientist	1	1		2	
HP15	Associate Mechanical Engineer	1	1		3	
TOTAL	Process Facilities Capital Planning Section	11	11	1,259,362.52	17	1,907,856.34
TOTAL	Environmental Monitoring & Research Division	85	88	7,771,810.80	92	8,347,687.14
<b>160</b>	<b>Analytical Laboratories Division</b>					
<b>161</b>	<b>Analytical Laboratories Administrative Section</b>					
HP22	Assistant Director of Monitoring & Research	-	-		1	
HP21	Assistant Director of Monitoring & Research	1	1		-	
HP18	Supervising Environmental Chemist	-	-		1	
HP17	Quality Assurance Coordinator	1	1		-	
HP17	Senior Environmental Chemist	1	1		1	

Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP15	Associate Environmental Chemist	1	1		-	
HP15	Environmental Chemist	-	-		1	
HP13	Senior Administrative Specialist	1	1		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	1		1	
TOTAL	Analytical Laboratories Administrative Section	6	6	709,249.58	6	736,788.52
<b>162</b>	<b>Stickney Analytical Laboratory Section</b>					
HP18	Supervising Environmental Chemist	1	1		1	
HP17	Senior Environmental Chemist	1	1		1	
HP15	Associate Environmental Chemist	2	2		-	
HP15	Environmental Chemist	-	-		6	
HP14	Assistant Environmental Chemist	4	4		-	
HP14	Assistant Environmental Chemist #1	-	-		1	
HP13	Laboratory Technician III	2	-		-	
HP13	Senior Laboratory Technician	-	3		3	
HP11	Administrative Specialist	1	1		1	
HP11	Laboratory Technician II	5	4		10	
HP10	Laboratory Technician I	9	8		2	
HP09	Laboratory Assistant	2	3		3	
TOTAL	Stickney Analytical Laboratory Section	27	27	1,986,660.00	28	2,063,044.10
<b>164</b>	<b>Industrial Waste Analytical Laboratory Section</b>					
HP18	Supervising Environmental Chemist	1	1		1	
HP17	Senior Environmental Chemist	1	1		1	
HP15	Associate Environmental Chemist	2	2		-	
HP15	Environmental Chemist	-	-		5	
HP14	Assistant Environmental Chemist	3	3		-	
HP14	Assistant Environmental Chemist #1	-	-		1	
HP13	Laboratory Technician III	2	-		-	
HP13	Senior Laboratory Technician	-	3		3	

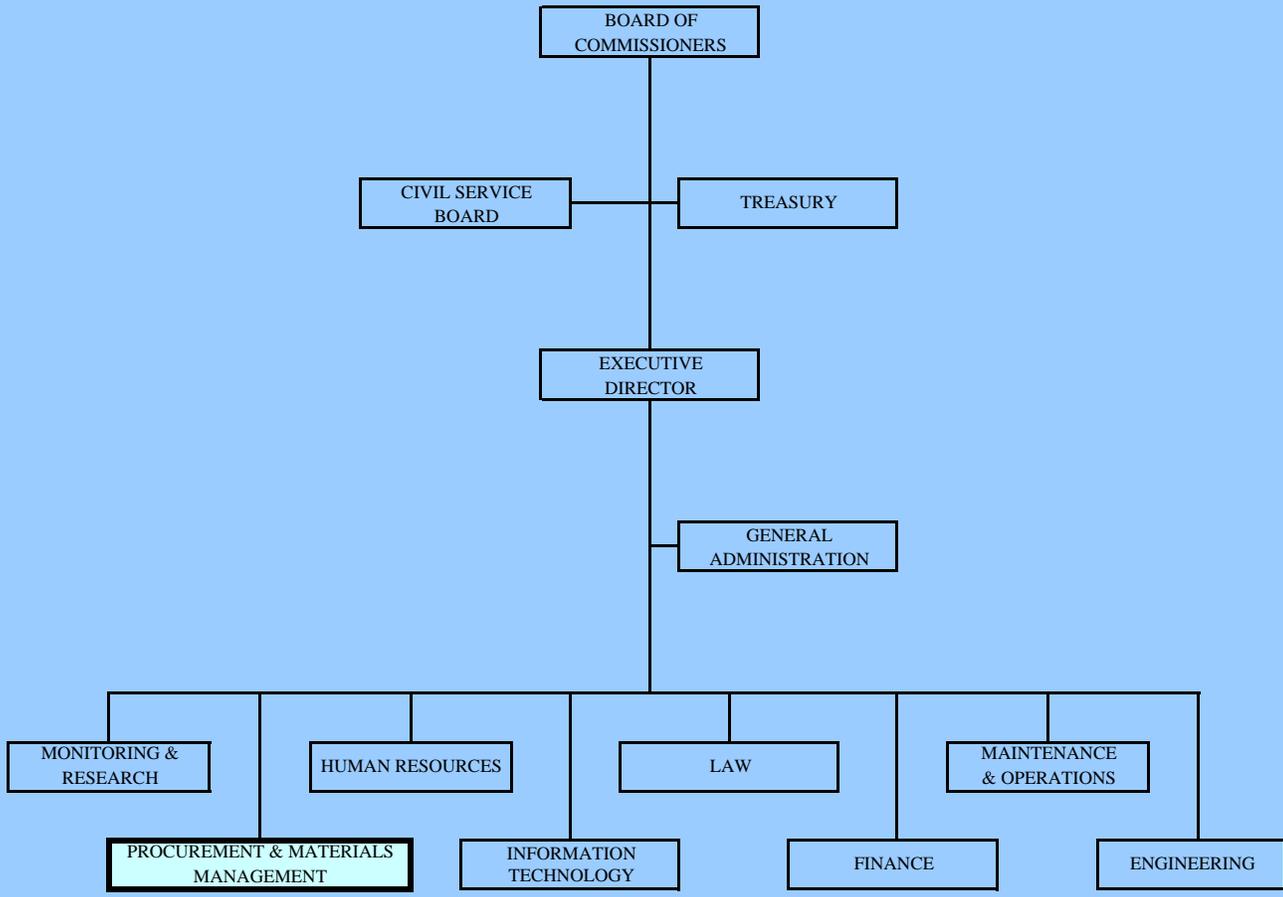
Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP11	Administrative Specialist	1	1		-	
HP11	Laboratory Technician II	7	8		12	
HP10	Laboratory Technician I	6	4		-	
HP10	Laboratory Technician I #1	-	2		-	
HP09	Laboratory Assistant	-	1		1	
TOTAL	Industrial Waste Analytical Laboratory Section	23	26	2,000,186.24	24	1,839,881.42
<b>165</b>	<b>Organic Compounds Analytical Laboratory Section</b>					
HP18	Instrumentation Chemist IV	1	1		1	
HP17	Instrumentation Chemist III	2	2		2	
HP16	Instrumentation Chemist II	2	2		-	
HP16	Instrumentation Chemist II #2 (Instrumentation Chemist) (New Grade HP15)	-	-		2	
HP15	Instrumentation Chemist I	2	2		-	
HP15	Instrumentation Chemist	-	-		2	
HP13	Senior Laboratory Technician	-	1		1	
HP11	Administrative Specialist	1	1		-	
HP11	Laboratory Technician II	3	2		2	
TOTAL	Organic Compounds Analytical Laboratory Section	11	11	1,160,947.32	10	1,091,467.52
<b>166</b>	<b>Egan Analytical Laboratory Section</b>					
HP18	Supervising Environmental Chemist	1	1		1	
HP17	Senior Environmental Chemist	1	1		1	
HP15	Associate Environmental Chemist	1	1		-	
HP15	Environmental Chemist	-	-		4	
HP14	Assistant Environmental Chemist	3	3		-	
HP14	Assistant Environmental Chemist #1	-	-		1	
HP13	Senior Laboratory Technician	-	2		2	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	-	1		1	
HP11	Administrative Specialist	1	-		-	

Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP11	Laboratory Technician II	2	4		6	
HP11	Laboratory Technician II #4	1	1		1	
HP10	Laboratory Technician I	7	3		1	
HP10	Laboratory Technician I #1	-	4		-	
HP09	Laboratory Assistant	2	2		2	
TOTAL	Egan Analytical Laboratory Section	19	23	1,753,982.36	20	1,559,156.04
	<b>167 Calumet Analytical Laboratory Section</b>					
HP18	Supervising Environmental Chemist	1	1		1	
HP17	Senior Environmental Chemist	1	1		1	
HP15	Associate Environmental Chemist	1	1		-	
HP15	Environmental Chemist	-	-		4	
HP14	Assistant Environmental Chemist	3	3		-	
HP13	Laboratory Technician III	1	-		-	
HP13	Senior Laboratory Technician	-	2		2	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	-	-		1	
HP11	Administrative Specialist	1	1		-	
HP11	Laboratory Technician II	3	3		7	
HP10	Laboratory Technician I	5	4		-	
HP10	Laboratory Technician I #1	-	1		1	
HP09	Laboratory Assistant	1	2		2	
HP09	Laboratory Assistant #1	1	-		-	
TOTAL	Calumet Analytical Laboratory Section	18	19	1,427,306.92	19	1,425,081.32
TOTAL	Analytical Laboratories Division	104	112	9,038,332.42	107	8,715,418.92
	<b>190 Industrial Waste Division</b>					
	<b>191 Industrial Waste Administrative Section</b>					
HP22	Assistant Director of Monitoring & Research	-	-		1	
HP21	Assistant Director of Monitoring & Research	1	1		-	

Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP17	Senior Environmental Specialist	1	-		-	
HP15	Environmental Specialist	2	-		-	
HP11	Administrative Specialist	1	1		1	
TOTAL	Industrial Waste Administrative Section	5	2	264,511.00	2	292,314.36
<b>192</b>	<b>Technical Services Section (formerly Enforcement Section)</b>					
HP18	Supervising Environmental Specialist	1	1		1	
HP17	Senior Civil Engineer	1	-		-	
HP17	Senior Environmental Specialist	1	1		1	
HP15	Associate Civil Engineer	4	-		-	
HP15	Environmental Specialist	6	2		2	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
HP11	Administrative Specialist	1	-		-	
HP09	Administrative Clerk	1	-		-	
TOTAL	Technical Services Section (formerly Enforcement Section)	16	4	463,122.14	4	451,602.06
<b>193</b>	<b>Pretreatment &amp; Cost Recovery Section (formerly User Charge &amp; Technical Services Section)</b>					
HP18	Supervising Environmental Specialist	1	2		2	
HP17	Senior Civil Engineer	-	1		1	
HP17	Senior Environmental Specialist	2	3		3	
HP15	Associate Civil Engineer	4	8		7	
HP15	Associate Mechanical Engineer #2 (Associate Civil Engineer)	-	-		1	
HP15	Environmental Specialist	10	16		16	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	-	1		1	
HP11	Administrative Specialist	1	2		2	
HP09	Administrative Clerk	1	2		2	
TOTAL	Pretreatment & Cost Recovery Section (formerly User Charge & Technical Services Section)	19	35	3,434,062.32	35	3,565,960.32
<b>194</b>	<b>Field Services Section (formerly Field Services Central Area Section)</b>					
HP18	Supervising Environmental Specialist	1	1		1	

Fund: Corporate Dept: Monitoring & Research Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP17	Senior Environmental Specialist	2	5		5	
HP15	Environmental Specialist	14	29		29	
HP13	Senior Administrative Specialist	1	1		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
HP11	Administrative Specialist	-	-		1	
NR3642	Pollution Control Technician II	1	1		1	
NR3641	Pollution Control Technician I	9	21		21	
TOTAL	Field Services Section (formerly Field Services Central Area Section)	29	58	5,336,582.42	59	5,311,298.98
<b>195</b>	<b>Field Services South Area Section</b>					
HP17	Senior Environmental Specialist	1	-		-	
HP15	Environmental Specialist	5	-		-	
NR3641	Pollution Control Technician I	4	-		-	
TOTAL	Field Services South Area Section	10	-	-	-	-
<b>196</b>	<b>Field Services North Area Section</b>					
HP17	Senior Environmental Specialist	1	-		-	
HP15	Environmental Specialist	5	-		-	
NR3641	Pollution Control Technician I	4	-		-	
TOTAL	Field Services North Area Section	10	-	-	-	-
<b>197</b>	<b>Field Services North West Area Section</b>					
HP17	Senior Environmental Specialist	1	-		-	
HP15	Environmental Specialist	5	-		-	
NR3641	Pollution Control Technician I	4	-		-	
TOTAL	Field Services North West Area Section	10	-	-	-	-
TOTAL	Industrial Waste Division	99	99	9,498,277.88	100	9,621,175.72
TOTAL	Monitoring & Research	296	308	27,440,045.88	308	27,860,695.98

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.



**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

Subject: 2017 Program for the Procurement & Materials Management Department

The Procurement & Materials Management Department's program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department's 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Procurement & Materials Management Department budget for 2017.

Respectfully submitted,

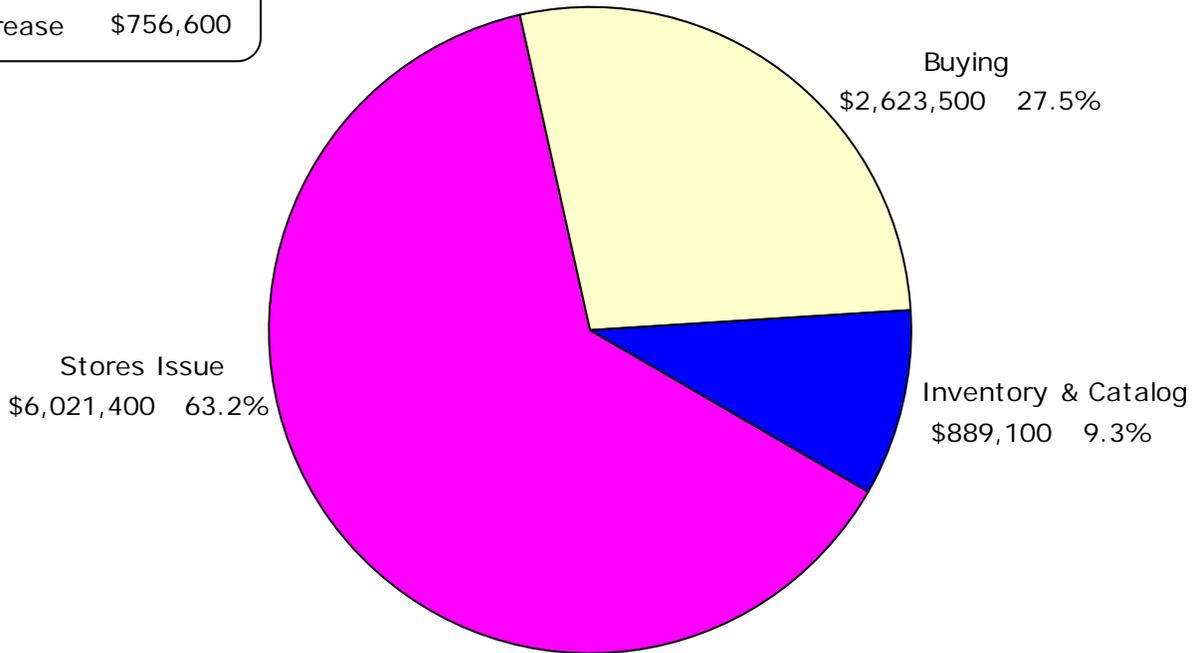


Darlene A. LoCascio  
Director of Procurement & Materials Management

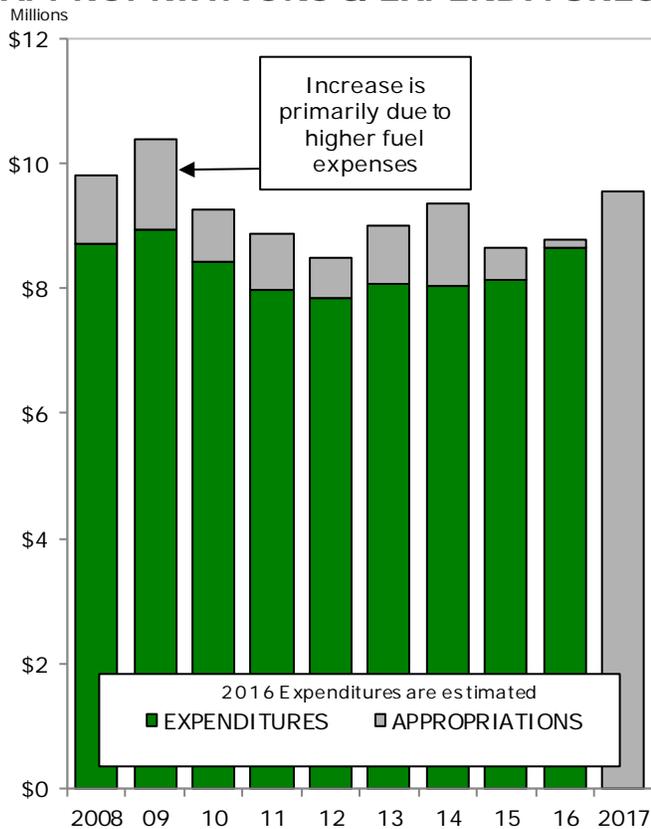
# PROCUREMENT & MATERIALS MANAGEMENT

2017	\$9,534,000
2016	\$8,777,400
Increase	\$756,600

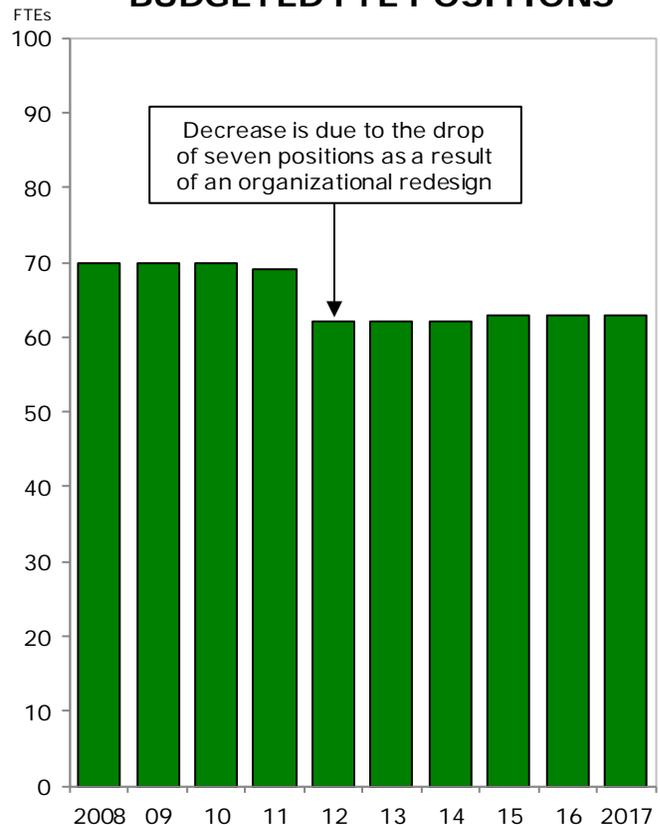
## FUNCTIONS



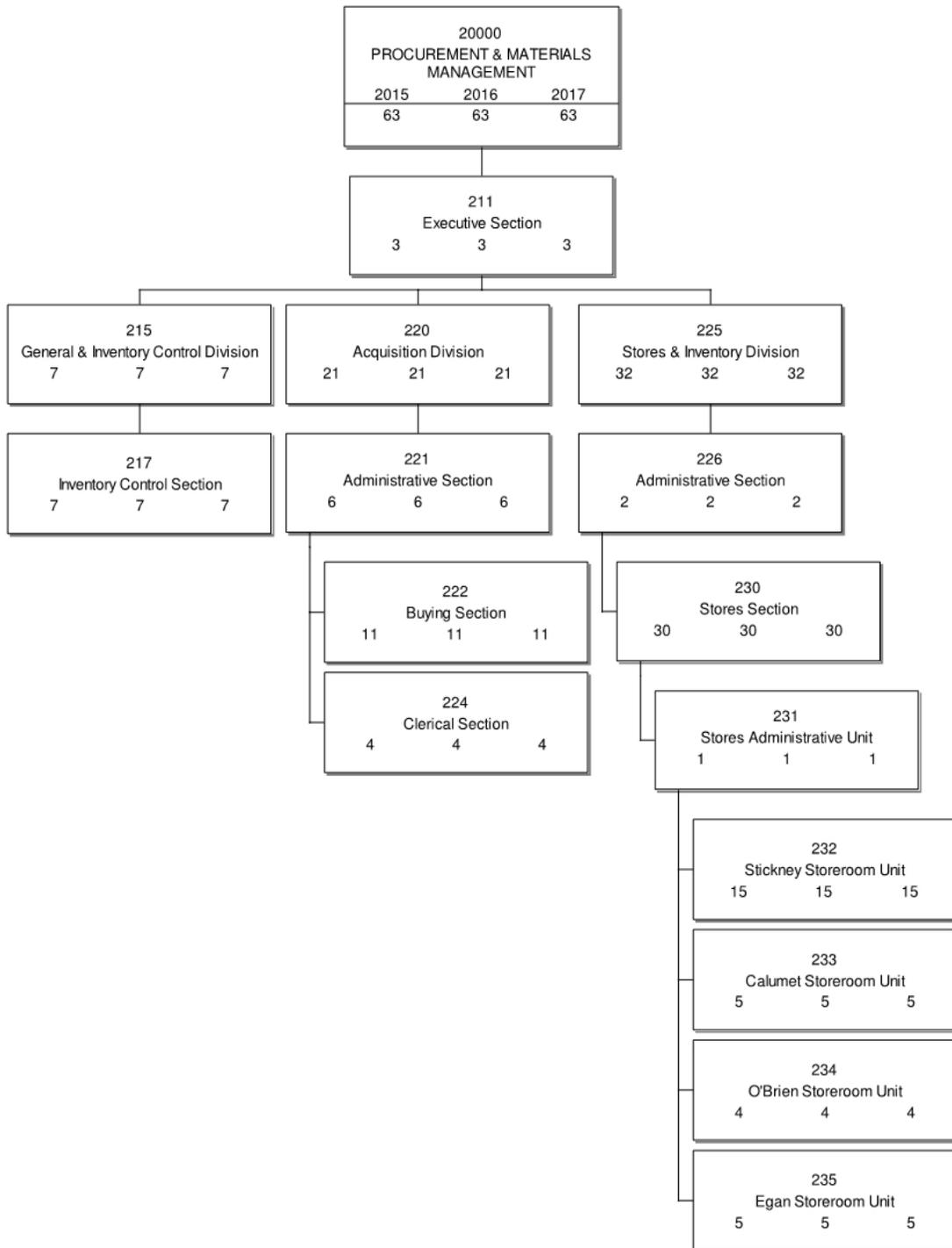
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# PROCUREMENT & MATERIALS MANAGEMENT



# PROCUREMENT & MATERIALS MANAGEMENT

**The mission of the Procurement & Materials Management Department (P&MM) is to procure goods and services required for District operations in compliance with the Purchasing Act.**

## Departmental Summary

P&MM is charged with the responsibility of procuring all of the materials and services that are used by the Metropolitan Water Reclamation District of Greater Chicago (District). The Purchasing Act for the District delineates both the authority and operating regulations. This Act outlines the duties and responsibilities of the Director of Procurement & Materials Management in the various areas of purchasing supplies and services, requesting and receiving bids, determining control and operation of the storerooms, disposing of obsolete, surplus, and unusable materials, and verifying quality and testing of materials.

## Summary of 2016 Accomplishments

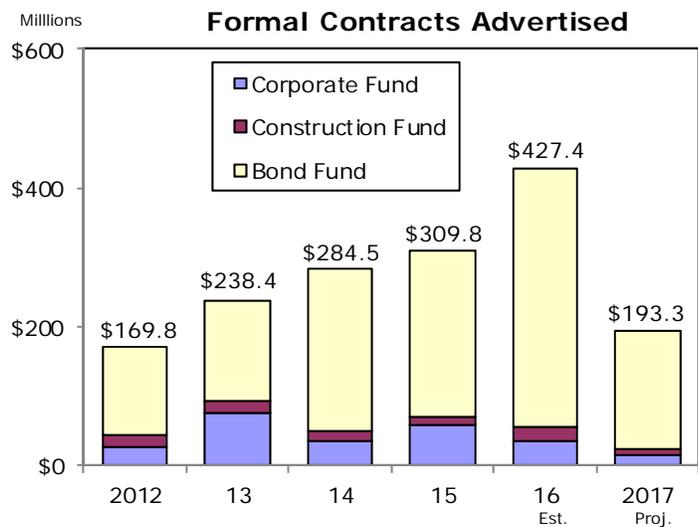
- Redesigned several processes for the receipt and issuance of materials and supplies from the storerooms to ensure that the Maintenance & Operations Department (M&O) has the material in a timely manner;
- Consolidated several standard contract documents that required individual signatures into one document that requires only one signature;
- Created enhancements to the District portal which allows the ability to post online fillable Adobe PDFs, Microsoft Word documents, and Microsoft Excel files. These enhancements directly benefitted the Engineering and Human Resources Departments and Treasury Section when bidding their requests for proposals;
- Reviewed the modifications implemented in 2015 for the processing of requisitions under \$25,000 for materials and supplies, and under \$10,000 for services, to ensure that a reduction of the turnaround time to five days was achieved or any additional modifications were needed;
- Reviewed and adjusted the organizational structure of the department to support succession planning;
- Collaborated with M&O to issue a request for proposal for soliciting proposals to assist the District in becoming a Pennsylvania-New Jersey-Maryland Interconnection (PJM) service provider to market electricity generation capacity at the Lockport Powerhouse and to maximize return on investment to the District;
- Continued efforts to simplify the SAP procurement process to increase utilization;
- Purchased recyclable plastic pallets for the storerooms.

## Budget Highlights

The 2017 appropriation for P&MM is \$9,534,000, an increase of \$756,600, or 8.6 percent, from 2016. Staffing requirements remain unchanged at 63 positions.

Significant features of the 2017 Budget are:

- In collaboration with M&O, ensure that 100 percent of materials and supplies required for preventive maintenance work orders are available in the storerooms;
- Develop and implement a schedule for recurring contracts to ensure the replacement contract is in place before the end of the current contract;
- Collaborate with M&O to award a contract for assisting the District in becoming a PJM service provider to market electricity generation capacity at the Lockport Powerhouse and to maximize return on investment to the District;
- Continue efforts to simplify the SAP procurement process to increase utilization;
- Continue to purchase recyclable plastic pallets for the storerooms.



**2017 Initiatives in Support of the Strategic Business Plan Include the Following:**

• **Add Value**

In 2016, P&MM redesigned several processes for the receipt and issuance of materials and supplies from the storerooms. These processes included: (a) the issuance of material through the storeroom; (b) the transfer of material from plant to plant; (c) the receipt of the purchase order for engineering spare parts. These process modifications allow M&O to obtain materials and supplies in a timely manner.

In 2017, P&MM will develop and implement a schedule for recurring contracts to ensure the replacement contract is in place before the end of the current contract. This effort will eliminate the use of a change order for that gap period.

The 2017 initiatives will continue to focus on improving P&MM’s level of services to our internal and external customers. In 2015, P&MM reviewed the processing of requisitions under \$25,000 for materials and supplies, and under \$10,000 for services, to reduce the turnaround time to five days. Modifications were made to the process in 2016. Every six months we will review the data to determine if other modifications need to be implemented in order to reach the goal of a five-day turnaround time from requisition to purchase order.

• **Excellence**

P&MM plans a green initiative project as part of their budget. This year’s green initiative project is to continue to replace wooden pallets, as needed, with plastic pallets in the District’s storerooms. These pallets, made from recycled content material, follow the District’s commitment to protect the quality of the water supply source (Lake Michigan). The wooden pallets have a useful life of five years while the plastic pallets have a useful life of 20 years. This replacement process is in its second year of a three-year project.

• **Resource Recovery**

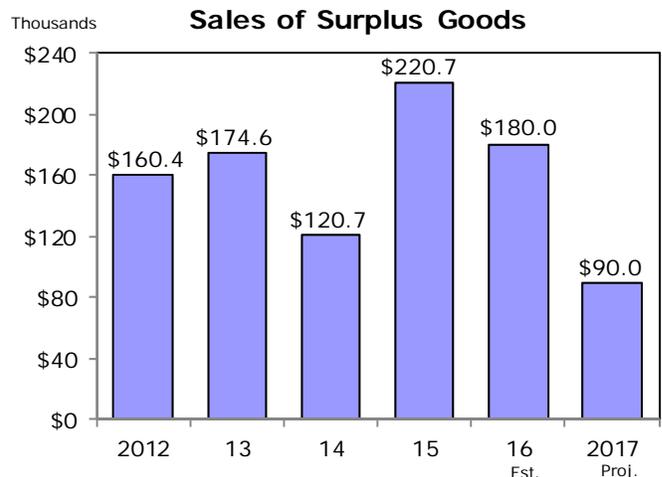
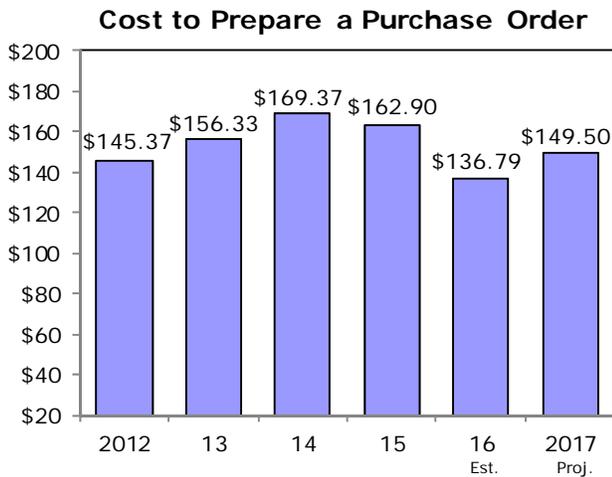
In collaboration with M&O, P&MM will award a contract to assist the District in becoming a PJM service provider to market electricity generating capacity at the Lockport Powerhouse, to buy and sell electrical energy and renewable energy credits on the wholesale market for the District.

P&MM will continue to monitor the prices for electricity for 2019 in efforts to obtain a price that is equal to or less than the 2018 price.

• **Develop Employees**

The development of employees is important to P&MM. Due to promotions and retirements, P&MM reevaluated the organizational structure of the department. In 2016, we reclassified a Senior Buyer to a Head Buyer which will support P&MM’s succession plan. By 2017, we should have completed the staffing of the department.

As always, P&MM is committed to supporting the strategic business plan.



**20000 PROCUREMENT & MATERIALS MANAGEMENT**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. Provide purchasing services for all outside labor, materials, services, and equipment through contracts and purchase orders with an estimated value of \$223,339,200. The estimated number of contracts and purchase orders is 134 and 5,000, respectively. Maximize participation in District purchases by administering the Minority, Small, and Women-Owned Business programs. Support for the department's budget preparation.	\$ 2,623,500	27.5%
2. Service the District's user departments' material and supply requirements by operating and maintaining an effective and economical storeroom function by ordering, receiving, storing, and issuing inventory valued at \$34,400,000.	\$ 6,021,400	63.2%
3. Support the material and supply requirements of the District by planning, monitoring, cataloging, and controlling \$34,400,000 of inventory consisting of 64,500 items.	\$ 889,100	9.3%
<b>Total</b>	<b>\$ 9,534,000</b>	<b>100.0%</b>

MEASURABLE GOALS:	2015 Actual	2016 Estimated	2017 Proposed
1. Process all requisitions and issue related purchase orders within 25 days.			
Percent of Purchase Orders Processed within 25 days	71%	92%	92%
Percent of Purchase Orders Processed within 10 days	37%	65%	65%
Percent of Purchase Orders (Board approved) Processed within 120 days	100%	100%	100%
2. Maintain an inventory level of at least 97 percent for operating supplies and engineering material in stock.			
Total Inventory (Number of stock items at all storerooms)	63,272	64,000	64,500
Total Stock-outs (Storeroom stock items only)	533	475	425
Total Issue Slips	13,721	14,800	14,800
Total Number of Items Issued	1,206,207	1,384,000	1,390,000
Total Items Issued and Stock Transports	53,430	57,900	58,000
Percent of Stock-outs (Maintain a level below three percent)	1.0%	0.8%	0.7%
3. Achieve inventory accuracy of 98 percent of operating supplies.			
Total Cycle Count	49,641	43,000	46,300
Total Errors	289	270	265
Percent Accuracy	99.4%	99.4%	99.4%
4. Maximize participation in District purchases under \$10,000 by pursuing Minority, Small, and Women-Owned Business solicitation initiatives.			
Minority Business Enterprises Solicited	3.3%	6.0%	6.0%
Women-Owned Business Enterprises Solicited	4.7%	6.0%	6.0%
Small Business Enterprises Solicited	0.1%	1.0%	1.0%
Total Percent Solicited	8.1%	13.0%	13.0%

**20000 PROCUREMENT & MATERIALS MANAGEMENT**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted		Change		
Number	Name	Actual	FTEs	Dollars	Dollars	Percent	
7253	Department Budget Preparation	\$ -	2017 -	\$ 39,400	\$ 2,300	6.2	
			2016 -	\$ 37,100			
7260	Buying Procedures	\$ 2,198,173	2017 23	\$ 2,584,100	\$ 123,200	5.0	a)
			2016 23	\$ 2,460,900			
7270	Inventory and Cataloging	\$ 815,897	2017 9	\$ 889,100	\$ 22,400	2.6	
			2016 9	\$ 866,700			
7280	Stores Operation and Issue	\$ 5,125,205	2017 31	\$ 5,942,000	\$ 599,500	11.2	b)
			2016 31	\$ 5,342,500			
7604	Social Security and Medicare Contributions	\$ -	2017 -	\$ 79,400	\$ 9,200	13.1	
			2016 -	\$ 70,200			
Totals		\$ 8,139,275	2017 63	\$ 9,534,000	\$ 756,600	8.6%	
			2016 63	\$ 8,777,400			

a) Increase is due to two retirements anticipated in 2017 (\$64,800).

b) Increase is due to projected material usage (\$186,500), the conversion of M&O spare parts to storeroom parts in 2016 (\$152,300), the purchase of recyclable plastic pallets as part of a green initiative (\$95,000), wooden pallets (\$45,000), and plastic bags for the phosphorous removal project (\$22,000).

**20000 PROCUREMENT & MATERIALS MANAGEMENT**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7253	Department Budget Preparation	Cost	\$ -	\$ 37,100	\$ 39,400	
7260	Buying Procedures					
7261	Prepare, Issue, and Maintain Purchase Orders to Appropriate Suppliers	Purchase Orders	4,538	5,500	5,000	
		Cost	\$ 549,936	\$ 528,200	\$ 532,400	
		Cost/Purchase Order	\$ 121.18	\$ 96.04	\$ 106.48	
7262	Process Requisition Requirements into Inquiries for Competitive Purchases	Requisitions	6,559	8,000	7,500	
		Cost	\$ 211,976	\$ 247,300	\$ 250,000	
		Cost/Requisition	\$ 32.32	\$ 30.91	\$ 33.33	
7263	Purchase all Labor, Materials, Services, and Equipment through Formal Contracts	Contracts Advertised	143	157	150	
		Cost	\$ 815,877	\$ 905,900	\$ 920,200	
		Cost/Contract	\$ 5,705.43	\$ 5,770.06	\$ 6,134.67	
7264	Prepare, Receive, and Evaluate Quotations from Various Suppliers	Inquiries	30,729	34,000	34,000	
		Cost	\$ 288,740	\$ 334,600	\$ 339,300	
		Cost/Inquiry	\$ 9.40	\$ 9.84	\$ 9.98	
7265	Advertise, Evaluate Bids, and Award the Sale of Scrap, Surplus Materials, and Document Fees	Revenue	\$ 220,722	\$ 160,000	\$ 90,000	a)
		Cost	\$ 13,449	\$ 13,800	\$ 13,900	
		Cost/\$1,000 Revenue	\$ 60.93	\$ 86.25	\$ 154.44	
7269	General Buying Procedures	Cost	\$ 318,195	\$ 431,100	\$ 528,300	b)
7270	Inventory and Cataloging					
	Plan and Control Inventory to Support Material and Supply Requirements of the District					
7271	Accurately Identify, Classify, Code, and Maintain Catalog for Equipment, Materials, and Supplies in District Storerooms	Inventory	\$ 37,680,479	\$ 38,500,000	\$ 34,400,000	c)
		Cost	\$ 152,575	\$ 186,400	\$ 193,900	
		Cost/Million	\$ 4,049.18	\$ 4,841.56	\$ 5,636.63	
7272	Plan and Control Systems to Ensure Optimum Levels of Inventory and Accountability of District Stock	Inventory	\$ 37,680,479	\$ 38,500,000	\$ 34,400,000	c)
		Cost	\$ 389,517	\$ 383,700	\$ 397,300	
		Cost/Million	\$ 10,337.37	\$ 9,966.23	\$ 11,549.42	
7273	Requirement Planning, Controlling, Monitoring, and Analyzing Commodity Index Coded Items from a Central Location	Cost	\$ 114,515	\$ 153,900	\$ 159,900	
7279	General Inventory Procedures	Cost	\$ 159,290	\$ 142,700	\$ 138,000	

a) Decrease is due to projected lower sales of obsolete materials (including automobiles) on iBid and the deflated value of scrap metal sales.

b) Increase is due to two retirements anticipated in 2017 (\$64,800).

c) Decrease is due to anticipated inventory reductions of M&O spare parts for 2017.

**20000 PROCUREMENT & MATERIALS MANAGEMENT**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7280	Stores Operation and Issue					
	Operate and Maintain an Effective and Economical Storeroom Function					
7282	Initiate and Prepare Requisitions in Accordance with Established Policies and Rules	Requisitions	6,570	6,700	6,700	
		Cost	\$ 272,916	\$ 274,800	\$ 290,600	
		Cost/Requisition	\$ 41.54	\$ 41.01	\$ 43.37	
7283	Receive, Inspect, and Move Purchased Materials, Both Stock and Non-Stock Items, to Ensure Compliance with Quantity and Quality Specifications of Purchase Orders	Receipts	14,613	14,500	14,500	
		Cost	\$ 740,114	\$ 761,200	\$ 793,200	
		Cost/Receipt	\$ 50.65	\$ 52.50	\$ 54.70	
7284	Provide for the Proper Storage Facilities, People, and Equipment to Effectively Store Materials and Supplies to Protect Against Damage, Malfunction or Loss, and to Move Materials in a Safe and Economical Manner	Inventory	\$ 37,680,479	\$ 38,500,000	\$ 34,400,000	d)
		Cost	\$ 748,790	\$ 615,500	\$ 624,700	
		Cost/Million	\$ 19,872.09	\$ 15,987.01	\$ 18,159.88	
7285	Provide Controlled Disbursement of Stored Materials and Supplies to Requesting Departments	Issue Slips	13,721	14,800	14,800	
		Cost	\$ 605,924	\$ 624,100	\$ 643,000	
		Cost/Issue Slip	\$ 44.16	\$ 42.17	\$ 43.45	
7286	General Stores Operations and Issue	Cost	\$ 91,033	\$ 85,900	\$ 85,700	
7289	Inventory Purchases	Cost	\$ 2,666,428	\$ 2,981,000	\$ 3,504,800	e)
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 70,200	\$ 79,400	
		Total	\$ 8,139,275	\$ 8,777,400	\$ 9,534,000	

d) Decrease is due to anticipated inventory reductions of M&O spare parts for 2017.

e) Increase is due to projected material usage (\$186,500), the conversion of M&O spare parts to storeroom parts in 2016 (\$152,300), the purchase of recyclable plastic pallets as part of a green initiative (\$95,000), wooden pallets (\$45,000), and plastic bags for the phosphorous removal project (\$22,000).

Account Number	Account Name	LINE ITEM ANALYSIS						
		2015		2016			2017	
		Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
101 20000	Fund: Corporate Department: Procurement & Materials Management Division:							
601010	Salaries of Regular Employees	\$ 5,026,894	\$ 5,393,200	\$ 5,393,200	\$ 3,621,912	\$ 5,143,200	\$ 5,520,800	\$ -
601060	Compensation Plan Adjustments	114,545	69,500	69,500	35,710	59,500	142,400	-
601070	Social Security and Medicare Contributions	-	70,200	70,200	52,113	70,200	79,400	-
601100	Tuition and Training Payments	705	4,000	4,000	1,120	2,000	4,500	-
100	TOTAL PERSONAL SERVICES	5,142,144	5,536,900	5,536,900	3,710,855	5,274,900	5,747,100	-
612010	Travel	-	1,400	1,400	-	200	3,000	-
612030	Meals and Lodging	215	2,500	2,500	-	200	3,000	-
612050	Compensation for Personally-Owned Automobiles	2,521	2,200	2,200	1,610	2,200	2,300	-
612080	Motor Vehicle Operating Services	35	100	100	-	-	-	-
612360	Advertising	129,797	127,000	127,000	121,927	127,000	130,000	-
612490	Contractual Services, N.O.C.	350	-	-	-	-	-	-
612680	Repairs to Buildings	1,924	4,800	4,800	800	4,300	3,800	-
612800	Repairs to Office Furniture and Equipment	3,230	2,100	2,100	2,100	2,100	2,200	-
612820	Computer Software Maintenance	2,358	2,900	2,900	1,900	2,800	-	-
612860	Repairs to Vehicle Equipment	7,479	10,000	10,000	9,470	9,000	7,700	-
612990	Repairs, N.O.C.	-	40,000	40,000	-	40,000	-	-
200	TOTAL CONTRACTUAL SERVICES	147,910	193,000	193,000	137,807	187,800	152,000	-
623030	Metals	94,760	125,000	130,200	73,423	130,200	150,000	-
623070	Electrical Parts and Supplies	310,143	311,400	314,400	257,197	314,400	350,000	-
623090	Plumbing Accessories and Supplies	216,449	309,400	341,800	315,248	341,800	382,400	-
623110	Hardware	39,748	42,900	80,200	72,256	80,200	85,000	-
623130	Buildings, Grounds, Paving Materials, and Supplies	108,200	124,800	255,200	151,574	235,300	350,000	-
623170	Fiber, Paper, and Insulation Materials	39,376	39,200	39,200	34,888	39,200	45,000	-
623190	Paints, Solvents, and Related Materials	39,202	42,000	52,000	45,709	52,000	55,000	-
623250	Vehicle Parts and Supplies	9,740	10,100	15,300	8,637	15,300	10,000	-
623270	Mechanical Repair Parts	118,943	126,300	165,400	149,348	165,400	160,000	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	19,467	16,800	16,900	16,738	16,900	17,400	-

101 20000		Fund: Corporate Department: Procurement & Materials Management Division:	LINE ITEM ANALYSIS					
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
623570	Laboratory Testing Supplies, Small Equipment, and Chemicals	594,502	583,800	584,300	550,902	584,300	590,000	-
623660	Cleaning Supplies	241,271	244,400	265,900	206,217	265,900	300,000	-
623680	Tools and Supplies	65,230	72,100	73,300	70,589	73,300	80,000	-
623700	Wearing Apparel	130,590	127,700	163,800	163,512	163,800	173,000	-
623780	Safety and Medical Supplies	59,809	85,000	85,200	47,834	85,200	90,000	-
623810	Computer Supplies	74,704	85,000	50,400	46,805	50,400	76,600	-
623820	Fuel	220,944	351,100	193,500	126,186	190,000	270,300	-
623840	Gases	67,318	45,000	59,500	59,429	59,500	65,000	-
623850	Communications Supplies	7,857	10,000	10,000	6,162	10,000	8,100	-
623860	Lubricants	237,882	240,000	258,700	172,587	258,700	260,000	-
623990	Materials and Supplies, N.O.C.	78,696	55,500	55,500	54,381	55,500	117,100	-
300	TOTAL MATERIALS AND SUPPLIES	2,774,832	3,047,500	3,210,700	2,629,623	3,187,300	3,634,900	-
634990	Machinery and Equipment, N.O.C.	74,388	-	-	-	-	-	-
400	TOTAL MACHINERY AND EQUIPMENT	74,388	-	-	-	-	-	-
<b>TOTAL PROCUREMENT &amp; MATERIALS MGMT</b>		<b>\$ 8,139,274</b>	<b>\$ 8,777,400</b>	<b>\$ 8,940,600</b>	<b>\$ 6,478,285</b>	<b>\$ 8,650,000</b>	<b>\$ 9,534,000</b>	<b>\$ -</b>

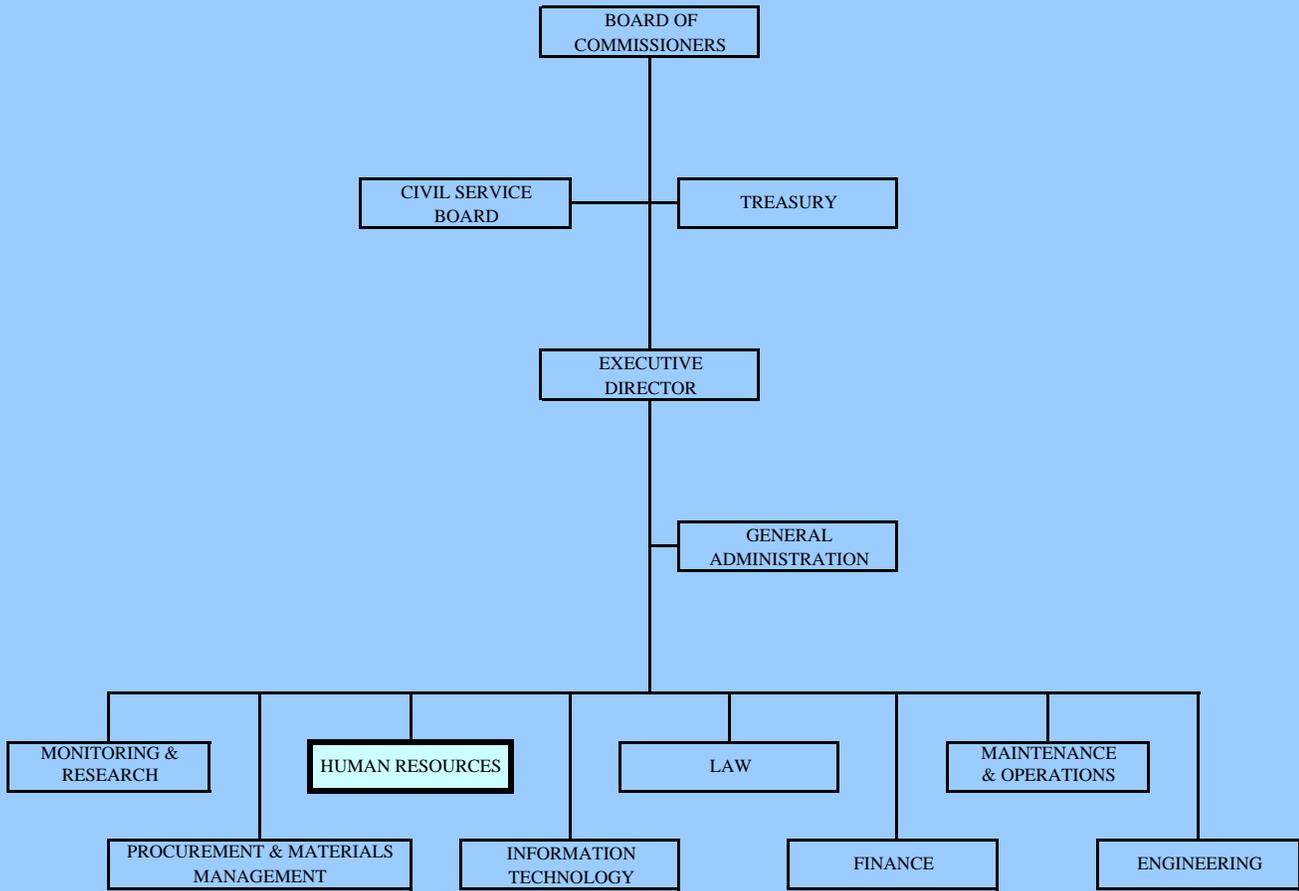
NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.

Fund: Corporate Dept: Procurement & Materials Management Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>211</b>	<b>Executive Section</b>					
EX08	Director of Procurement & Materials Management	1	1		1	
EX06	Secretary to Officer	2	2		2	
TOTAL	Executive Section	3	3	429,119.60	3	429,119.60
<b>215</b>	<b>General &amp; Inventory Control Division</b>					
<b>217</b>	<b>Inventory Control Section</b>					
HP17	Supervising Stores Specialist	1	-		-	
HP17	Supervising Stores Specialist #2 (New Grade HP16)	-	1		1	
HP16	Materials Planning Supervisor #2 (Senior Stores Specialist) (New Grade HP15)	1	1		1	
HP12	Stores Specialist	5	5		5	
TOTAL	Inventory Control Section	7	7	538,677.10	7	560,803.10
TOTAL	General & Inventory Control Division	7	7	538,677.10	7	560,803.10
<b>220</b>	<b>Acquisition Division</b>					
<b>221</b>	<b>Administrative Section</b>					
HP20	Assistant Director of Procurement & Materials Management	1	1		1	
HP14	Budget & Management Analyst	1	1		1	
HP13	Senior Administrative Specialist	1	1		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	2	1		1	
HP11	Administrative Specialist	1	2		2	
TOTAL	Administrative Section	6	6	537,451.72	6	553,146.10
<b>222</b>	<b>Buying Section</b>					
HP18	Head Buyer	1	2		2	
HP17	Buyer III #2 (Senior Buyer) (New Grade HP16)	2	1		1	
HP16	Senior Buyer	4	4		4	
HP14	Buyer	4	4		4	
TOTAL	Buying Section	11	11	1,195,314.12	11	1,205,977.50
<b>224</b>	<b>Clerical Section</b>					
HP11	Administrative Specialist	2	2		2	

Fund: Corporate Dept: Procurement & Materials Management Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP09	Administrative Clerk	2	2		2	
TOTAL	Clerical Section	4	4	221,046.80	4	225,898.92
TOTAL	Acquisition Division	21	21	1,953,812.64	21	1,985,022.52
<b>225</b>	<b>Stores &amp; Inventory Division</b>					
<b>226</b>	<b>Administrative Section</b>					
HP19	Stores & Inventory Manager	1	-		-	
HP19	Stores & Inventory Manager #2 (New Grade HP18)	-	1		1	
HP15	Senior Stores Specialist	1	-		-	
HP15	Senior Stores Specialist #2 (New Grade HP14)	-	1		1	
TOTAL	Administrative Section	2	2	256,397.18	2	261,323.92
<b>230</b>	<b>Stores Section</b>					
<b>231</b>	<b>Stores Administrative Unit</b>					
HP17	Supervising Stores Specialist	1	-		-	
HP17	Supervising Stores Specialist #2 (New Grade HP16)	-	1		1	
TOTAL	Stores Administrative Unit	1	1	126,148.88	1	126,148.88
<b>232</b>	<b>Stickney Storeroom Unit</b>					
HP11	Administrative Specialist	1	1		1	
HP09	Administrative Clerk	2	2		2	
NR1857	Principal Storekeeper	2	2		2	
NR1853	Storekeeper	8	8		8	
NR8651	Maintenance Laborer Class A	1	1		1	
NR1835	Materials Handler Laborer #1	1	1		1	
TOTAL	Stickney Storeroom Unit	15	15	1,120,067.26	15	1,156,541.36
<b>233</b>	<b>Calumet Storeroom Unit</b>					
HP09	Administrative Clerk	1	1		1	
NR1857	Principal Storekeeper	1	1		1	
NR1853	Storekeeper	2	2		2	

Fund: Corporate Dept: Procurement & Materials Management Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
NR8651	Maintenance Laborer Class A	1	1		1	
TOTAL	Calumet Storeroom Unit	5	5	360,805.90	5	372,737.56
<b>234</b>	<b>O'Brien Storeroom Unit</b>					
HP09	Administrative Clerk	1	1		1	
NR1857	Principal Storekeeper	1	1		1	
NR1853	Storekeeper	1	1		1	
NR8651	Maintenance Laborer Class A	1	1		1	
TOTAL	O'Brien Storeroom Unit	4	4	277,224.74	4	286,785.46
<b>235</b>	<b>Egan Storeroom Unit</b>					
HP09	Administrative Clerk	1	1		1	
NR1857	Principal Storekeeper	1	1		1	
NR1853	Storekeeper	2	2		2	
NR8651	Maintenance Laborer Class A	1	1		1	
TOTAL	Egan Storeroom Unit	5	5	358,379.06	5	370,311.50
TOTAL	Stores Section	30	30	2,242,625.84	30	2,312,524.76
TOTAL	Stores & Inventory Division	32	32	2,499,023.02	32	2,573,848.68
TOTAL	Procurement & Materials Management	63	63	5,420,632.36	63	5,548,793.90

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.



HUMAN RESOURCES

**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

Subject: 2017 Program for the Human Resources Department

The Human Resources Department's program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department's 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Human Resources Department budget for 2017.

Respectfully submitted,

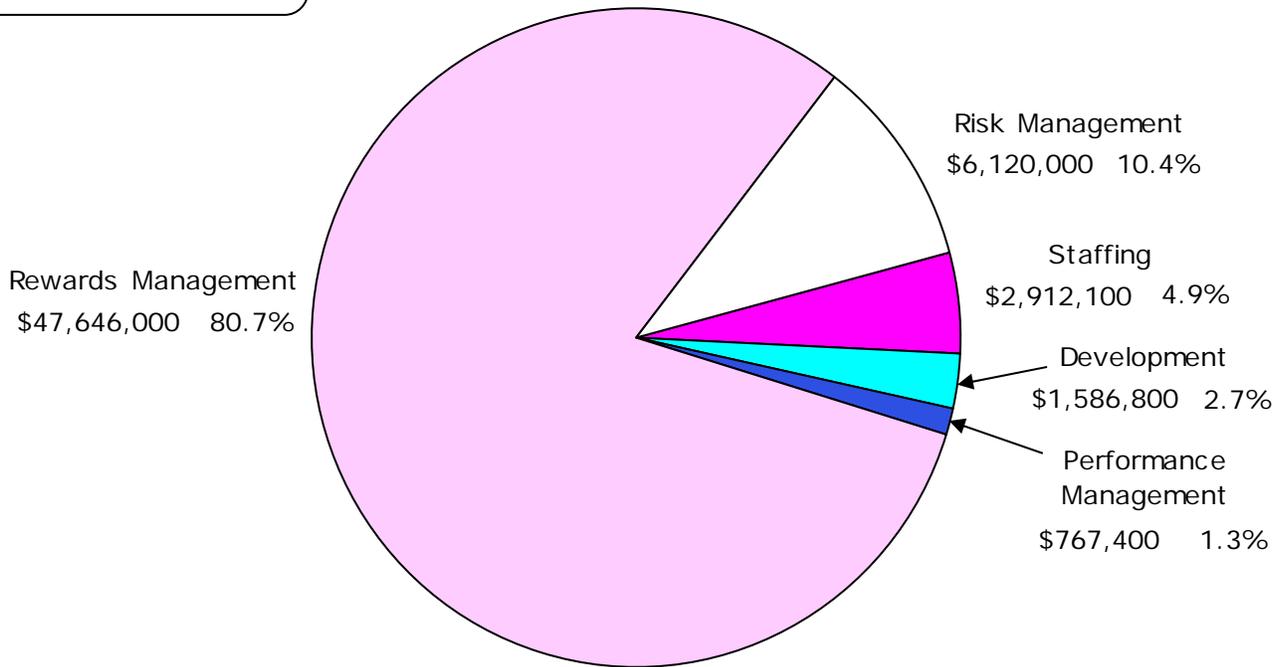


Beverly K. Sanders  
Acting Director of Human Resources

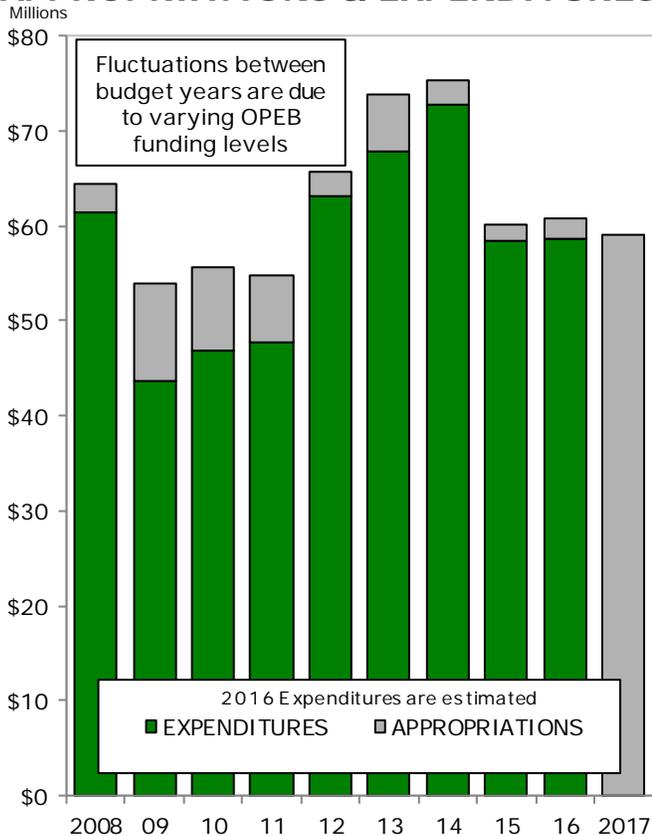
# HUMAN RESOURCES

2017	\$59,032,300
2016	\$60,816,800
Decrease	(\$1,784,500)

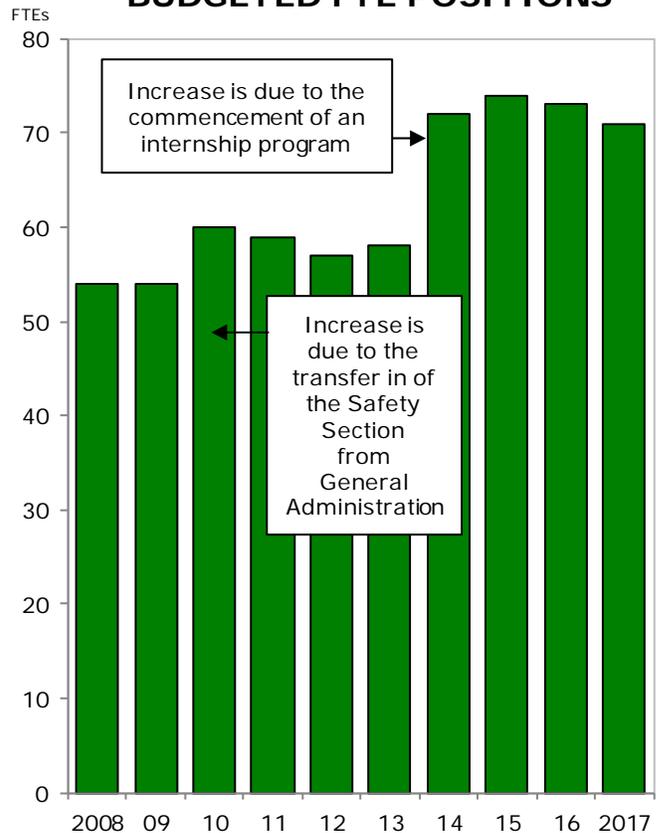
## FUNCTIONS



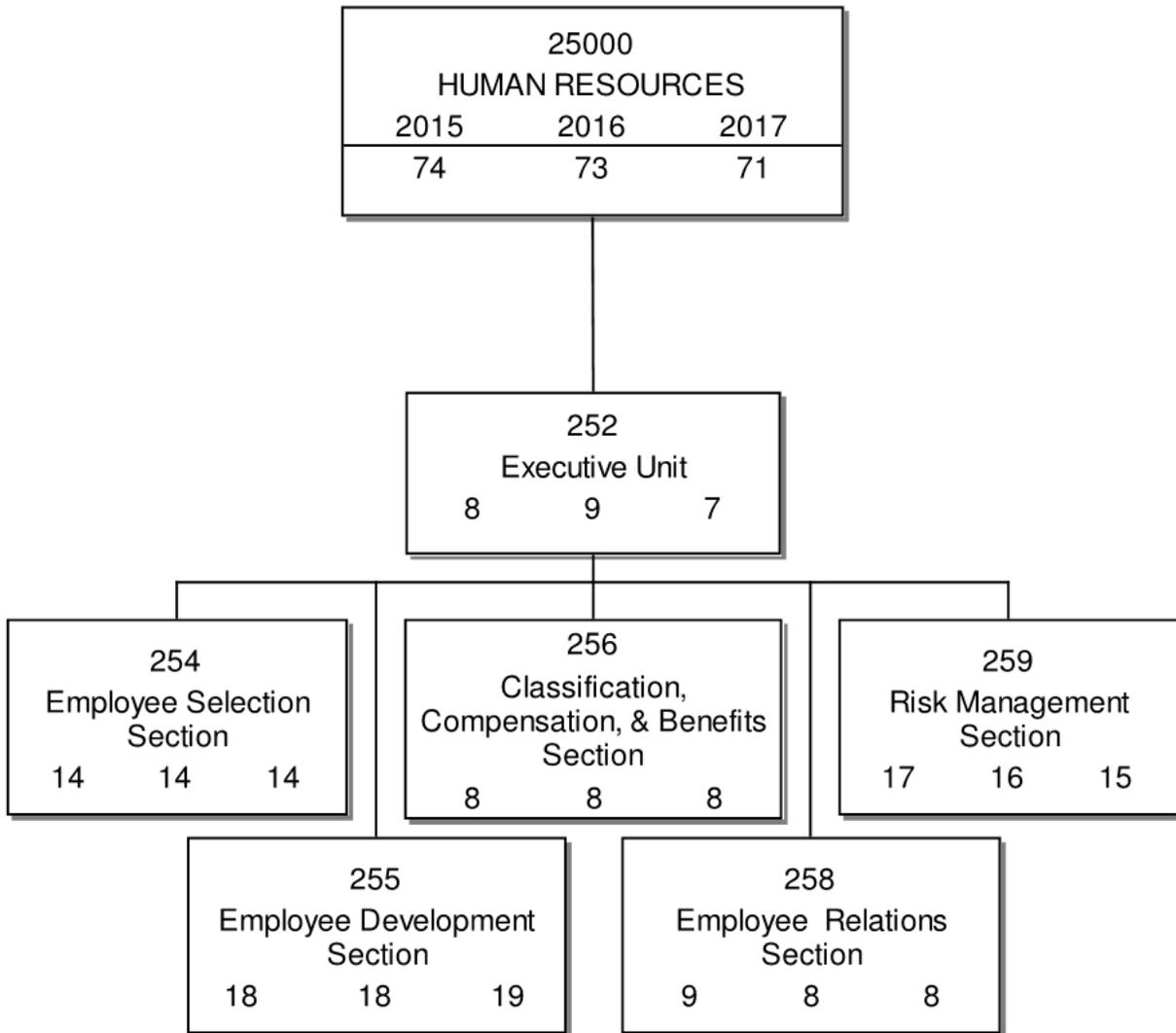
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# HUMAN RESOURCES



## HUMAN RESOURCES

**Through strategic partnerships, the Human Resources Department develops and delivers innovative, efficient, and cost effective programs and services that are aligned with the District's core business strategies.**

### Departmental Summary

The department's primary responsibilities include:

- Staffing: ensure that the District plans for recruiting, hiring, and retaining the diverse talent needed to meet its organizational goals;
- Development: guide staff in acquiring and maintaining the skills needed to properly perform their roles within the organization;
- Performance Management: assist managers and employees by developing and implementing a performance management system that supports the goals of the organization;
- Rewards Management: develop and implement appropriate incentives to aid in recruiting and retaining the highest quality staff;
- Risk Management: develop and administer a comprehensive risk management program that protects the assets of the District and the safety of employees.

### Summary of 2016 Accomplishments

- The District's Emergency Operations Plan was updated and successfully tested in a tabletop exercise for senior and plant management;
- The District's first formal Business Continuity Plan was developed to address business disruptions that affect mission critical services and support functions for an extended period;
- The District's Return-to-Work Program was further strengthened by the implementation of trades based eLearning which provides trade and industry specific training options for injured workers;
- The Safety group implemented the District's revised Lockout/Tagout procedures to ensure practices are more closely aligned with Occupational Safety and Health Administration regulations and ensure safe operations for employees;
- The Safety staff conducted approximately 1,200 Occupational Safety and Health Administration focused training sessions to ensure that employees are prepared to perform their jobs safely within their work environment;
- The Safety staff installed electronic billboard signs at four of the District's largest plants to promote safety culture through messaging and reminders;
- The internship program continued to provide meaningful educational training experiences for students interested in wastewater management and District operations and the program was extended to include two interns from Denmark;
- Over 300 supervisors received training on conducting employee investigations and correcting employee behavior;
- A pilot training program was launched for specific job classifications to provide new hires with job readiness skills and an introduction to District core values and ethics;
- Civil Service examinations were administered for 50 classifications;
- A request for proposal was issued for an applicant tracking system and an employee onboarding system. The tracking system manages all activity related to the District's recruitment, examination, eligible list certification and requisition processes for employee hiring, and is more user-friendly, accessible to mobile devices, and capable of posting jobs to social media platforms. The onboarding software eliminates paperwork and redundancy to fully optimize the way new employee information is collected;
- A three-day training program on professional development was provided to approximately 20 Executive Assistants. In 2017, the program will be extended to include additional levels of administrative staff.

### Budget Highlights

The 2017 Human Resources Department appropriation is \$59,032,300, a decrease of \$1,784,500, or 2.9 percent, from 2016. Staffing decreased from 73 to 71 positions with the drop of one Assistant Director of Human Resources position and one Human Resources Analyst position, and the transfer of one Budget and Management Analyst position to General Administration, offset by the addition of one Human Resources Analyst position. The number of employees budgeted in the Human Resources Department includes 12 Interns, one Apprentice assigned to the Maintenance & Operations Department, and three Civil Service Board members.

**2017 Initiatives in Support of the Strategic Business Plan Include the Following:**

• **Add Value**

In 2017, the Risk Management Section will continue its focus on the development of a comprehensive and sustainable risk management program. Key areas of focus include use of the risk management information system for risk analysis and enhanced communication on risk issues across the organization and further development of key programs, including return-to-work, emergency operations, and continuity of operations.

Working within the Risk Management Section, the Safety group will continue to focus on safe work procedures, a safe work environment, preventive health measures, life protection, accident prevention and investigations, and record keeping. There will be a continued reinforcement of Arc Flash and Electrical Safety programs. Increased emphasis will be placed on targeting programs to address the District’s key cost drivers. The Safety staff will work more closely with the Claims staff to reduce overall workers’ compensation costs for the District.

The Human Resources Department’s merit-based selection practices provide the District with a pool of candidates who have demonstrated the essential job-related knowledge, skills, and abilities to perform effectively. The Human Resources Department plans to administer 55 examinations in 2017. All employment applications are received online.

• **Excellence**

The District’s benefits program plays an integral part in its ability to attract and retain a high quality work force. The District offers health care benefits to employees and eligible dependents, as well as approximately 1,965 retirees. The core components of the program are a Participating Provider Option and Health Maintenance Organization medical plan, prescription drug coverage, dental coverage, and an integrated vision benefit.

Health Plan Contribution Rates					
	2013	2014	2015	2016	2017
Represented Employees	13%	14%	14%	14%	14%
Non-Represented Employees	15%	16%	14%	14%	14%
Retirees	30.0%	32.5%	35.0%	37.5%	40.0%

The cost of health benefits is partially offset by employee and retiree contributions. In 2011, the Board of Commissioners approved a contribution rate policy incrementally increasing retiree contribution rates over a 10-year period to help control the cost of retiree health care. The contribution rates for employees and retirees are shown in the table above. Employee and retiree contributions to health care benefits are projected to be \$13.4 million in 2017.

The District is currently developing a multi-year benefits strategy for its employee health care benefits. It continues its focus on a long-term strategy for its retiree health care plans with the approval of a Medicare Advantage Prescription Drug Plan to be implemented on January 1, 2017. This plan will maintain the current level of coverage for Medicare-eligible retirees at an estimated cost savings of \$4.7 million in 2017. The goal of both of these strategies is to develop programs that will allow the District to continue offering high quality health care benefits to both employees and retirees at an affordable cost.

The employee benefits strategy will also continue the District’s commitment to building a culture of health as another means of controlling health care costs. Annual on-site health fairs will continue to be conducted at each of the District locations. These events include a free biometric screening and flu shots for participating employees. The 5K walk/run will continue to be held as part of the employee picnic activities. In 2016, the District conducted an organizational wellness assessment with the assistance of wellness consultants from the Blue Cross Blue Shield Association. This assessment will drive employee wellness initiatives in 2017. Initiatives under consideration include the installation of walking paths, the purchase of standing work stations, and discounted health club memberships. The goal of the wellness strategy is to build a work environment that promotes health and wellness for all District employees.

The District continues to monitor its potential exposure to the Patient Protection and Affordable Care Act excise (Cadillac) tax coming online in 2020.

The Labor Management Committee on Health Care continues to meet semiannually with union leadership to discuss health care utilization, cost trends, and cost containment strategies. This creates a forum for open communication between the District and the unions on important health care issues. The goal is to develop strategies to contain future health care costs, while continuing to provide affordable health care benefits to employees.

**• Develop Employees**

The District provides its employees with training and development opportunities through tuition reimbursement, seminars and conferences, in-house training, and online eLearning courses.

<b>Employee Development Participation</b>			
	<b>Tuition Reimbursement *</b>	<b>In-House Training</b>	<b>eLearning Courses Accessed</b>
<b>2014</b>	55	2,227	2,089
<b>2015</b>	58	3,854	3,912
<b>Estimated 2016</b>	50	2,400	2,112
<b>Projected 2017</b>	50	2,300	2,200

\*Number of participants who were reimbursed.

To ensure the ongoing professional development of all District employees in 2017, the Human Resources Department will continue to offer in-house training programs in areas such as business and technical writing and financial management, and will provide specialized training as requested by departments. Other training programs will address competencies identified by class series that will help employees in their career development. The Human Resources Department will continue to develop competency-based job classifications and build new measures of employee performance, while providing a basis for individual development plans. Executive coaching services will continue to be used for succession planning and to conduct individual assessments of employee talents, skills, and career objectives that will help identify developmental needs to prepare employees for leadership roles.

The Human Resources Department administers collective bargaining agreements for the District’s approximately 760 represented employees, and provides advice and counseling to managers and supervisors regarding investigations and disciplinary matters for both represented and non-represented employees. All six collective bargaining agreements will expire on June 30, 2017. Human Resources staff will meet with the Executive Director and representatives from the departments to discuss contract issues, objectives and priorities, and to develop a strategy for negotiating successor agreements. The Human Resources Department will continue to promote the use of proactive and timely discussions between managers, employees, and their representatives to address grievance and complaint activity.

The Human Resources Department also ensures the District’s compliance with the Family and Medical Leave Act and the Americans with Disabilities Act, and is responsible for receiving and investigating complaints of workplace violence, discrimination, sexual harassment, and other types of harassment and complaints.

**• Leading Partnerships**

As of October 1, 2013, the District began using the revised external labor rates for females and minorities, based on published data from the 2010 census. The District’s minority workforce representation, as of June 30, 2016, was 40 percent, which compares favorably with the Cook County minority labor force availability rate of 36 percent. The District’s female workforce representation as of June 30, 2016, was 26 percent, compared to the Cook County female labor force availability rate of 41 percent, when adjusted for District-specific occupations.

<b>Percentage of District Employees Who Are Minorities or Females</b>							<b>2000 Census External Availability</b>	<b>2010 Census External Availability</b>
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 Proj.</b>		
Minorities	39.0%	40.0%	40.0%	40.0%	40.0%	40.0%	33.0%	36.0%
Females	27.0%	27.0%	26.0%	26.0%	26.0%	26.0%	25.0%	41.0%

It is important to note that a majority of the District’s job categories include classifications that are nontraditional for women. Nontraditional occupations, as defined by the U.S. Department of Labor, are those occupations wherein 25 percent or fewer women have the requisite skills or work in that occupation. Consequently, the external female labor force rates are adjusted for District-specific occupations. They include only job classifications found at the District, and exclude occupations such as teachers, registered nurses, and social workers.

The Human Resources Department coordinates the District-wide recruitment program. Ongoing advertising in print and electronic media assists the District in attracting a diverse and qualified applicant pool for current and future examinations. In 2017, the District will target its recruitment efforts on increasing minority and female representation in specific job categories in which they are underrepresented. A large part of the public image of the District is dependent on employee behaviors and interactions with the public. To assist employees in representing the District well, various training programs will continue. Uniform application of disciplinary processes and the Civil Service Board forum will provide unambiguous expectations of employees and will assure employees that good work is rewarded.

**25000 HUMAN RESOURCES**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. Review employment applications and develop and administer 55 examinations to meet Civil Service requirements and current operational needs. Oversee the certification process to fill positions. Develop and maintain a targeted advertising program necessary to establish recruitment resources, administer college and campus recruitment activities, and administer diversity outreach activities.	\$ 1,699,600	2.9%
2. Develop and administer a comprehensive risk management program and provide a safe work environment for District employees through training, accident prevention initiatives, and workplace monitoring.	\$ 6,120,000	10.4%
3. Maintain comparative wage and salary data, administer non-represented and management compensation systems, and recommend changes to the Civil Service Board and the Board of Commissioners in order to ensure internal pay equity and external competitiveness. Establish a highly competitive employee benefits package, including health, life, and dental insurance, a vision plan, and a deferred compensation plan, as well as administer other related benefit programs, such as Employee Assistance Program services, flexible spending account plan, and voluntary insurance products.	\$ 29,346,800	49.6%
4. Administer six collective bargaining agreements, covering 760 employees, and manage employee relations programs, which include investigation of employee complaints and performance rating reviews on behalf of the Director of Human Resources, and administer the unemployment compensation and performance management programs.	\$ 767,400	1.3%
5. Provide health insurance benefits and administration for retirees and annuitants, which include Other Postemployment Benefits pre-funding for retiree health care expenses.	\$ 18,299,200	31.0%
6. Implement the District's equal employment opportunity and affirmative action objectives through targeted recruitment, counseling, and complaint investigation.	\$ 329,200	0.6%
7. Provide the necessary administrative support to the District and Human Resources Department sections by maintaining centralized files on all employees; overseeing the hiring, promotion, transfer, termination, return-to-work, or any other action affecting an employee's status; and managing computerized information to perform departmental functions with greater efficiency at a lower cost. Comply with state Civil Service statutes by arranging for hearing of complaints from employees or other persons, the hearing of charges against employees for discharge, and the ratification of amendments to the Personnel Rules and the compensation and classification plan.	\$ 883,300	1.5%
8. Provide educational opportunities for employees through professional development, technical training, and tuition reimbursement.	\$ 1,586,800	2.7%
<b>Total</b>	<b>\$ 59,032,300</b>	<b>100.0%</b>

MEASURABLE GOALS:	2015 Actual	2016 Estimated	2017 Proposed
1. Minimize the number of days between an original entrance appointment and the start date for the new employee.	32	30	29
2. Reduce the number of workers' compensation claims per 100 employees.	6.75	5.94	5.75
3. Reduce the number of lost time claims per 100 employees.	2.09	1.89	1.80

**25000 HUMAN RESOURCES**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015 Actual	Budgeted		Change			
Number	Name		FTEs	Dollars	Dollars	Percent		
7290	Examinations and Employment Activities	\$ 1,768,334	2017	13	\$ 1,699,600	\$ (16,900)	(1.0)	
			2016	13	\$ 1,716,500			
7295	Equal Employment Opportunity Activities	\$ 401,628	2017	3	\$ 329,200	\$ (51,400)	(13.5)	
			2016	3	\$ 380,600			
7310	Training and Development Activities	\$ 1,278,696	2017	19	\$ 1,586,800	\$ 190,500	13.6	a)
			2016	18	\$ 1,396,300			
7315	Retiree Benefits	\$ 13,369,511	2017	1	\$ 13,299,200	\$ (1,309,400)	(9.0)	b)
			2016	1	\$ 14,608,600			
7316	Other Postemployment Benefits Trust Contributions	\$ 5,000,000	2017	-	\$ 5,000,000	\$ -	-	
			2016	-	\$ 5,000,000			
7320	Employee Benefits	\$ 26,613,668	2017	4	\$ 29,245,600	\$ (403,900)	(1.4)	c)
			2016	4	\$ 29,649,500			
7325	Labor and Employee Relations	\$ 714,360	2017	7	\$ 767,400	\$ (30,900)	(3.9)	
			2016	7	\$ 798,300			
7330	Human Resources Administration	\$ 887,033	2017	9	\$ 883,300	\$ (232,700)	(20.9)	d)
			2016	11	\$ 1,116,000			
7480	Safety Program	\$ 1,589,218	2017	11	\$ 1,557,000	\$ 48,500	3.2	
			2016	11	\$ 1,508,500			
7500	Risk Management Operations	\$ 4,172,165	2017	4	\$ 4,563,000	\$ 9,300	0.2	
			2016	5	\$ 4,553,700			
7604	Social Security and Medicare Contributions	\$ 2,631,404	2017	-	\$ 101,200	\$ 12,400	14.0	
			2016	-	\$ 88,800			
Totals		\$ 58,426,017	2017	71	\$ 59,032,300	\$ (1,784,500)	(2.9%)	
			2016	73	\$ 60,816,800			

- a) Increase is due to the addition of District-wide employee training (\$123,400), management and leadership development (\$27,000), and increases to the internship program (\$20,000).
- b) Decrease is due to anticipated cost savings as a result of the Medicare Advantage Prescription Drug Plan for retirees (\$1,278,400).
- c) Decrease reflects current projections for employee medical benefits, primarily PPO premiums (\$413,800).
- d) Decrease is due to the elimination of an Assistant Director of Human Resources position and the transfer of a Budget and Management Analyst position to General Administration (\$218,100).

**25000 HUMAN RESOURCES**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7290	Examination and Employment Activities					
		Candidates	2,800	3,000	3,000	
		Examinations	50	45	55	
		Applications	6,478	7,000	6,000	
		Requisitions	271	315	220	
		Cost	\$ 1,627,995	\$ 1,578,900	\$ 1,582,000	
	Recruitment and Marketing Activities					
	Diversity/Outreach Recruitment	Cost	\$ 82,269	\$ 71,500	\$ 60,900	
	Campus Recruitment	Cost	\$ 58,070	\$ 66,100	\$ 56,700	
7295	Equal Employment Opportunity Activities					
	Provide Counseling and Investigate Complaints	Actions	1,000	1,000	1,000	
		Cost	\$ 401,628	\$ 380,600	\$ 329,200	
		Cost/Action	\$ 401.63	\$ 380.60	\$ 329.20	
7310	Training and Development Activities					
	In-House Training and Professional Development	Courses	3,854	2,300	2,300	
		Cost	\$ 764,642	\$ 747,200	\$ 910,200	a)
		Cost/Course	\$ 198.40	\$ 324.87	\$ 395.74	
	Seminars and Conferences Costs	Cost	\$ 7,100	\$ 6,600	\$ 10,500	b)
	eLearning	Courses	3,912	2,200	2,200	
		Cost	\$ 31,254	\$ 20,000	\$ 20,000	
		Cost/Participant	\$ 7.99	\$ 9.09	\$ 9.09	
	Apprenticeship Program	Cost	\$ 64,507	\$ 58,100	\$ 81,300	c)
	Administer and Finance the Tuition Reimbursement Program for the Entire District	Participants	58	60	50	
		Cost	\$ 308,740	\$ 333,600	\$ 314,000	
		Cost/Participant	\$ 5,323.10	\$ 5,560.00	\$ 6,280.00	
	Internship Program	Cost	\$ 102,453	\$ 230,800	\$ 250,800	
7315	Retiree Benefits					
	Health Insurance - Corporate Fund Retirees	Retirees	1,961	1,955	1,970	
		Cost	\$ 8,674,007	\$ 9,593,300	\$ 8,739,600	d)
		Cost/Retiree	\$ 4,423.26	\$ 4,907.06	\$ 4,436.35	
	Prescription Drug Retirees	Participants	1,961	1,950	1,970	
		Cost	\$ 4,695,504	\$ 5,015,300	\$ 4,559,600	e)
		Cost/Participant	\$ 2,394.44	\$ 2,571.95	\$ 2,314.52	

- a) Increase is due to the addition of District-wide employee training (\$123,400) and management and leadership development (\$27,000).
- b) Increase reflects the plan for greater employee participation in conferences and seminars.
- c) Increase is due to step raises for the Machinist apprenticeship program and prevailing wage increases.
- d) Decrease is due to anticipated cost savings for retiree health insurance (\$822,700).
- e) Decrease is due to anticipated cost savings for retiree pharmacy benefits (\$455,700).

**25000 HUMAN RESOURCES**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7316	OPEB Trust Contributions	Cost	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	
7320	Employee Benefits					
	Health Insurance - Corporate Fund Employees (includes vision care) <sup>1</sup>	Participants	1,739	1,760	1,770	
		Cost	\$ 19,971,095	\$ 22,402,900	\$ 21,592,000	f)
		Cost/Participant	\$ 11,484.24	\$ 12,728.92	\$ 12,198.87	
	Prescription Drugs <sup>1</sup>	Participants	1,739	1,760	1,770	
		Cost	\$ 5,066,226	\$ 5,495,300	\$ 5,924,100	g)
		Cost/Participant	\$ 2,913.30	\$ 3,122.33	\$ 3,346.95	
	Dental Insurance - Corporate Fund Employees <sup>1</sup>	Participants	1,729	1,750	1,760	
		Cost	\$ 1,226,810	\$ 1,408,700	\$ 1,364,500	
		Cost/Participant	\$ 709.55	\$ 804.97	\$ 775.28	
	Life Insurance - Corporate Fund Employees <sup>1</sup>	Employees	1,828	1,840	1,858	
		Cost	\$ 85,340	\$ 85,700	\$ 92,500	
		Cost/Employee	\$ 46.68	\$ 46.58	\$ 49.78	
	Deferred Compensation Administration	Cost	\$ 38,730	\$ 37,500	\$ 40,000	
	Other Benefits					
	Employee Assistance Program	Cost	\$ 66,924	\$ 72,000	\$ 67,500	
	Flexible Spending Accounts Program	Cost	\$ 36,743	\$ 35,000	\$ 37,400	
	Compensation and Classification Activities	Cost	\$ 121,800	\$ 112,400	\$ 127,600	
7325	Labor and Employee Relations					
	Labor and Employee Relations Activities	Employees	1,962	1,976	1,947	
		Cost	\$ 576,885	\$ 640,400	\$ 606,900	
	Compliance with Unemployment Compensation Requirements	Claims	14	10	15	
		Cost	\$ 37,475	\$ 47,900	\$ 58,500	h)
		Cost/Claim	\$ 2,676.79	\$ 4,790.00	\$ 3,900.00	
	Employee Performance Management	Cost	\$ 100,000	\$ 110,000	\$ 102,000	
7330	Human Resources Administration					
	Personnel Activity Administration	Employees Served	1,962	1,976	1,947	
		Cost	\$ 720,101	\$ 783,600	\$ 723,300	
		Cost/Employee	\$ 367.02	\$ 396.56	\$ 371.49	
	Medical Services Payments and Record Maintenance	Examinations	500	500	500	
		Cost	\$ 56,732	\$ 167,400	\$ 62,200	i)
		Cost/Examination	\$ 113.46	\$ 334.80	\$ 124.40	

- f) Decrease reflects the current projections for employee medical benefits.
- g) Increase is due to an anticipated rise in employee pharmacy claims.
- h) Increase is due to an upward trend for unemployment compensation.
- i) Decrease is due to the transfer of a Budget and Management Analyst position to General Administration.

<sup>1</sup> Additional funds are budgeted in the Stormwater Management Fund.

**25000 HUMAN RESOURCES**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
	Civil Service Board Procedures					
	Hear and Render Decisions on Appeals from Employees,	Actions	45	38	40	
	Ratify Amendments to the Personnel Rules, Hear and	Cost	\$ 110,200	\$ 165,000	\$ 97,800	j)
	Render Decisions on Discharges	Cost/Action	\$ 2,448.89	\$ 4,342.11	\$ 2,445.00	
7480	Safety Program					
	Occupational Safety and Health Administration (OSHA) Compliance, OSHA Inspections, Reporting, Accident Investigation	Cost	\$ 620,776	\$ 646,116	\$ 622,400	
	Contract Review for Compliance with Safety Standards	# of Reviews	28	30	30	
		Cost	\$ 6,720	\$ 7,200	\$ 7,200	
		Cost/Review	\$ 240.00	\$ 240.00	\$ 240.00	
	Safety Equipment					
	New/Rental	Cost	\$ 42,739	\$ 72,000	\$ 140,700	k)
	Replacement	Cost	\$ 255,744	\$ 20,000	\$ 22,500	
	Maintenance	Cost	\$ 21,118	\$ 17,600	\$ 38,000	l)
	Medical Health Surveillance					
	First Aid Assistance	Cost	\$ 35,000	\$ 35,000	\$ 35,000	
	Hearing Tests	People Tested	317	450	450	
		Cost	\$ 7,056	\$ 9,500	\$ 9,500	
		Cost/Test	\$ 22.26	\$ 21.11	\$ 21.11	
	Spirometry Tests	People Tested	58	54	60	
		Cost	\$ 9,100	\$ 7,500	\$ 5,000	m)
		Cost/Test	\$ 156.90	\$ 138.89	\$ 83.33	
	Safety Training					
	CPR and First Aid	People Trained	242	400	250	
		Cost	\$ 45,700	\$ 46,100	\$ 46,100	
		Cost/Trainee	\$ 188.84	\$ 115.25	\$ 184.40	
	Confined Spaces	People Trained	92	150	100	
		Cost	\$ 10,380	\$ 10,380	\$ 10,400	
		Cost/Trainee	\$ 112.83	\$ 69.20	\$ 104.00	
	Lockout/Tagout	People Trained	20	200	500	n)
		Cost	\$ 4,240	\$ 4,240	\$ 4,800	
		Cost/Trainee	\$ 212.00	\$ 21.20	\$ 9.60	
	General Safety	People Trained	6,768	10,340	7,500	
		Cost	\$ 313,436	\$ 434,434	\$ 432,200	
		Cost/Trainee	\$ 46.31	\$ 42.01	\$ 57.63	

j) Decrease is due to the reallocation of administrative support services for Civil Service Board activities to the Law Department.

k) Increase reflects the purchase cycle for Arc Flash and Lockout/Tagout equipment (\$40,000), eye and hand washing stations (\$15,000), and safety signage (\$10,000).

l) Increase reflects the maintenance cycle for tripods and winches (\$8,500), various safety equipment (\$3,600), escape packs (\$3,500), and air masks (\$1,500).

m) Decrease is due to a cost reevaluation of spirometry tests to more accurately reflect current expenditures.

n) This program was completely rewritten in 2016 and will require the training of all staff who would use this in their work. This training is one-time, with additional ad hoc training as needed for new hires.

**25000 HUMAN RESOURCES**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
	Professional Safety	Cost	\$ 19,800	\$ 19,800	\$ 19,800	
	Industrial Hygiene/Right to Know	People Trained	617	800	650	
		Cost	\$ 29,430	\$ 29,430	\$ 29,400	
		Cost/Trainee	\$ 47.70	\$ 36.79	\$ 45.23	
	Fire Prevention and Protection	Cost	\$ 86,952	\$ 35,200	\$ 20,000	o)
	Hazardous Materials Abatement	Cost	\$ 81,027	\$ 114,000	\$ 114,000	
7500	Risk Management Operations					
	Administration	Cost	\$ 475,873	\$ 518,100	\$ 439,500	p)
	Asset Appraisal and Other Services	Cost	\$ 337,931	\$ 300,000	\$ 386,700	q)
	Broker Services	Cost	\$ 229,100	\$ 235,000	\$ 236,200	
	Insurance Premiums (such as property insurance)	Cost	\$ 3,129,261	\$ 3,500,600	\$ 3,500,600	
7604	Social Security and Medicare Contributions	Cost	\$ 2,631,404	\$ 88,800	\$ 101,200	
	<b>Total</b>		<b>\$ 58,426,017</b>	<b>\$ 60,816,800</b>	<b>\$ 59,032,300</b>	

- o) Decrease reflects the maintenance cycle for fire extinguishers (\$13,200).
- p) Decrease is due to the drop of a Human Resources Analyst position (\$92,200).
- q) Increase reflects the projected rise in settlement of workers' compensation cases (\$100,000).

101 25000	Fund: Corporate Department: Human Resources Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 9/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 5,744,731	\$ 6,114,600	\$ 6,114,600	\$ 4,158,733	\$ 5,811,800	\$ 5,766,400	\$ -
601060	Compensation Plan Adjustments	148,894	314,000	314,000	231,314	231,600	232,200	-
601070	Social Security and Medicare Contributions	2,631,404	88,800	88,800	73,952	87,400	101,200	-
601080	Salaries of Nonbudgeted Employees	1,621	-	-	-	-	-	-
601090	Employee Claims	37,475	47,900	47,900	32,879	47,900	60,200	-
601100	Tuition and Training Payments	510,266	440,800	440,800	298,564	358,600	600,000	-
601170	Payments for Professional Services	1,210,497	-	-	-	-	-	-
601250	Health and Life Insurance Premiums	44,187,178	48,226,600	48,226,600	31,943,120	46,848,200	46,705,100	-
601300	Personal Services, N.O.C.	102,453	230,800	230,800	159,822	230,800	250,800	-
100	TOTAL PERSONAL SERVICES	54,574,520	55,463,500	55,463,500	36,898,383	53,616,300	53,715,900	-
612010	Travel	3,449	7,000	7,000	2,387	4,500	5,000	-
612030	Meals and Lodging	9,531	12,000	12,000	6,556	10,500	12,000	-
612040	Postage, Freight, and Delivery Charges	464	1,000	1,000	-	300	200	-
612050	Compensation for Personally-Owned Automobiles	5,550	5,000	5,000	1,942	4,400	4,400	-
612080	Motor Vehicle Operating Services	30	100	100	14	100	100	-
612250	Court Reporting Services	11,529	15,600	15,600	9,999	13,600	14,000	-
612260	Medical Services	123,656	180,000	180,000	143,600	150,700	123,700	-
612280	Subscriptions and Membership Dues	1,989	-	-	-	-	-	-
612290	Insurance Premiums	3,129,261	3,500,600	3,500,600	3,342,876	3,500,600	3,500,600	-
612330	Rental Charges	18,703	30,000	30,000	17,639	26,500	23,500	-
612430	Payments for Professional Services	-	1,205,700	1,205,700	1,072,580	1,135,700	1,139,100	-
612490	Contractual Services, N.O.C.	48,555	50,700	50,700	48,013	46,300	62,900	-
612780	Safety Repairs and Services	188,442	165,200	165,200	163,811	132,800	172,000	-
612820	Computer Software Maintenance	12,054	20,000	20,000	-	19,200	20,000	-
200	TOTAL CONTRACTUAL SERVICES	3,553,214	5,192,900	5,192,900	4,809,417	5,045,200	5,077,500	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	12,916	20,000	20,000	17,700	18,200	58,500	-
623720	Books, Maps, and Charts	5,922	5,000	5,000	-	4,600	3,500	-
623780	Safety and Medical Supplies	256,017	131,500	131,500	80,451	84,200	173,000	-

101 25000 Fund: Corporate Department: Human Resources Division:		LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 9/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
623990	Materials and Supplies, N.O.C.	4,229	3,900	3,900	3,102	3,800	3,900	-
300	TOTAL MATERIALS AND SUPPLIES	279,083	160,400	160,400	101,252	110,800	238,900	-
634820	Computer Software	19,200	-	-	-	-	-	-
400	TOTAL MACHINERY AND EQUIPMENT	19,200	-	-	-	-	-	-
<b>TOTAL HUMAN RESOURCES</b>		<b>\$ 58,426,017</b>	<b>\$ 60,816,800</b>	<b>\$ 60,816,800</b>	<b>\$ 41,809,053</b>	<b>\$ 58,772,300</b>	<b>\$ 59,032,300</b>	<b>\$ -</b>

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).

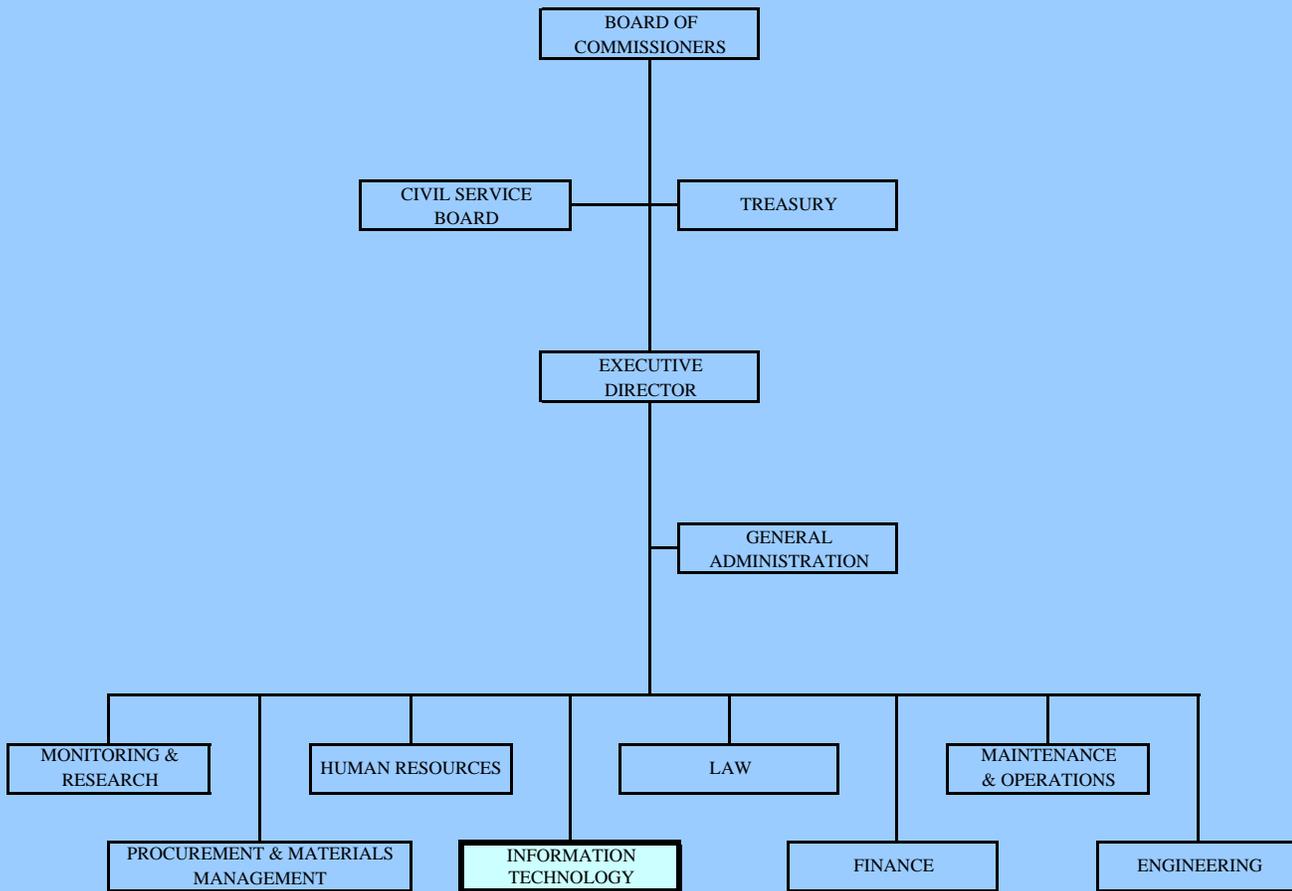
Fund: Corporate Dept: Human Resources Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>252</b>	<b>Executive Unit</b>					
EX10	Director of Human Resources	1	1		1	
HP20	Assistant Director of Human Resources	2	2		1	
EX06	Secretary to Officer	1	1		1	
EX16	Civil Service Board Chairman	1	1		1	
EX09	Civil Service Board Member	2	2		2	
HP15	Management Analyst II #2 (Budget & Management Analyst) (New Grade HP14)	1	1		-	
HP11	Administrative Specialist	-	1		1	
TOTAL	Executive Unit	8	9	879,534.24	7	599,714.18
<b>254</b>	<b>Employee Selection Section</b>					
HP19	Human Resources Manager	1	-		-	
HP19	Human Resources Manager #2 (New Grade HP18)	-	1		1	
HP17	Senior Human Resources Analyst	2	-		-	
HP17	Senior Human Resources Analyst #2 (New Grade HP16)	-	2		1	
HP16	Senior Human Resources Analyst	-	-		1	
HP16	Senior Human Resources Analyst #2 (Human Resources Analyst) (New Grade HP14)	-	1		1	
HP15	Associate Human Resources Analyst #2 (Human Resources Analyst) (New Grade HP14)	1	1		1	
HP14	Human Resources Analyst	5	4		4	
HP13	Senior Administrative Specialist	2	2		2	
HP11	Administrative Specialist	3	3		3	
TOTAL	Employee Selection Section	14	14	1,357,067.66	14	1,334,071.44
<b>255</b>	<b>Employee Development Section</b>					
HP19	Human Resources Manager	1	-		-	
HP19	Human Resources Manager #2 (New Grade HP18)	-	1		1	
HP17	Senior Human Resources Analyst	1	-		-	
HP17	Senior Human Resources Analyst #2 (New Grade HP16)	-	1		1	

Fund: Corporate Dept: Human Resources Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Human Resources Analyst	1	1		2	
HP12	Human Resources Assistant #2 (Administrative Specialist) (New Grade HP11)	1	1		1	
HP11	Administrative Specialist	1	1		1	
TM01	Intern	12	12		12	
PR1025	Apprentice	1	1		1	
TOTAL	Employee Development Section	18	18	943,044.18	19	1,047,759.70
<b>256</b>	<b>Classification, Compensation, &amp; Benefits Section</b>					
HP19	Human Resources Manager	1	-		-	
HP19	Human Resources Manager #2 (New Grade HP18)	-	1		1	
HP17	Senior Human Resources Analyst	2	-		-	
HP17	Senior Human Resources Analyst #2 (New Grade HP16)	-	2		2	
HP15	Associate Human Resources Analyst #2 (Human Resources Analyst) (New Grade HP14)	1	1		1	
HP14	Human Resources Analyst	2	2		2	
HP11	Administrative Specialist	2	2		1	
HP11	Administrative Specialist #4	-	-		1	
TOTAL	Classification, Compensation, & Benefits Section	8	8	830,524.24	8	846,684.28
<b>258</b>	<b>Employee Relations Section</b>					
HP19	Human Resources Manager	1	-		-	
HP19	Human Resources Manager #2 (New Grade HP18)	-	1		-	
HP18	Human Resources Manager	-	-		1	
HP17	Senior Human Resources Analyst	2	-		-	
HP17	Senior Human Resources Analyst #2 (New Grade HP16)	-	2		-	
HP16	Senior Human Resources Analyst	-	-		2	
HP15	Associate Human Resources Analyst #2 (Human Resources Analyst) (New Grade HP14)	1	1		1	
HP14	Human Resources Analyst	2	2		2	
HP11	Administrative Specialist	2	2		2	

Fund: Corporate Dept: Human Resources Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP09	Administrative Clerk	1	-		-	
TOTAL	Employee Relations Section	9	8	862,598.36	8	762,051.94
	<b>259 Risk Management Section</b>					
HP19	Risk Manager	1	-		-	
HP19	Risk Manager #2 (New Grade HP18)	-	1		1	
HP17	Claims Administrator	1	-		-	
HP17	Claims Administrator #2 (New Grade HP16)	-	1		1	
HP17	Senior Risk Analyst	1	-		-	
HP17	Senior Risk Analyst #2 (New Grade HP16)	-	1		1	
HP17	Senior Safety Specialist	1	-		-	
HP17	Senior Safety Specialist #2 (New Grade HP16)	-	1		1	
HP15	Safety Coordinator #2 (Safety Specialist) (New Grade HP14)	4	4		4	
HP14	Human Resources Analyst	1	1		-	
HP14	Safety Specialist	5	5		5	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
HP11	Administrative Specialist	2	2		2	
TOTAL	Risk Management Section	17	16	1,596,938.98	15	1,529,876.66
TOTAL	Human Resources	74	73	6,469,707.66	71	6,120,158.20

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.

**NOTE PAGE**



INFORMATION  
TECHNOLOGY

**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

Subject: 2017 Program for the Information Technology Department

The Information Technology Department's program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department's 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Information Technology Department budget for 2017.

Respectfully submitted,

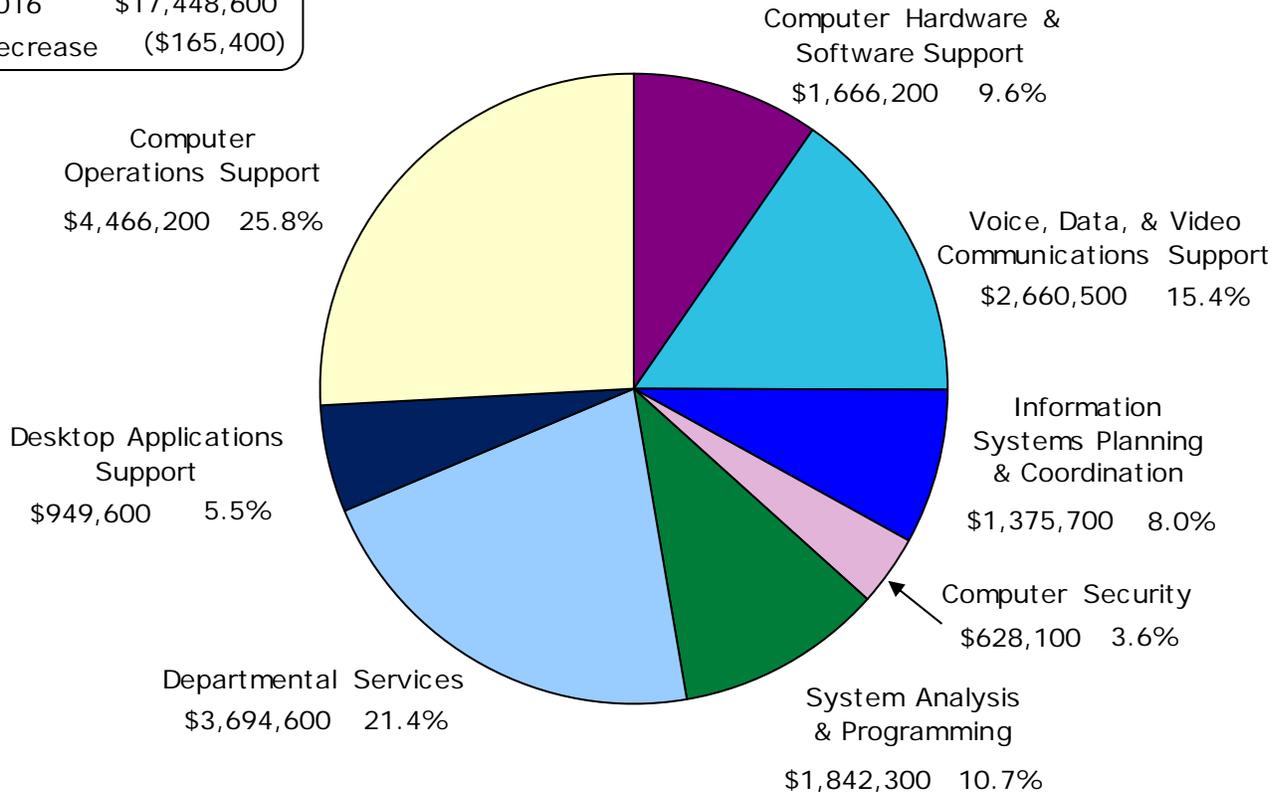


John H. Sudduth  
Director of Information Technology

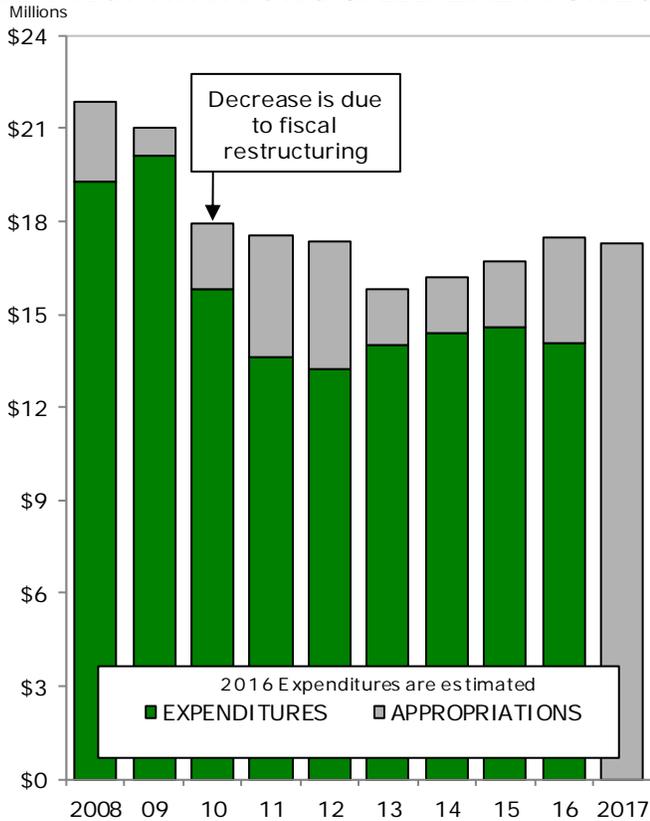
# INFORMATION TECHNOLOGY

2017	\$17,283,200
2016	\$17,448,600
Decrease	(\$165,400)

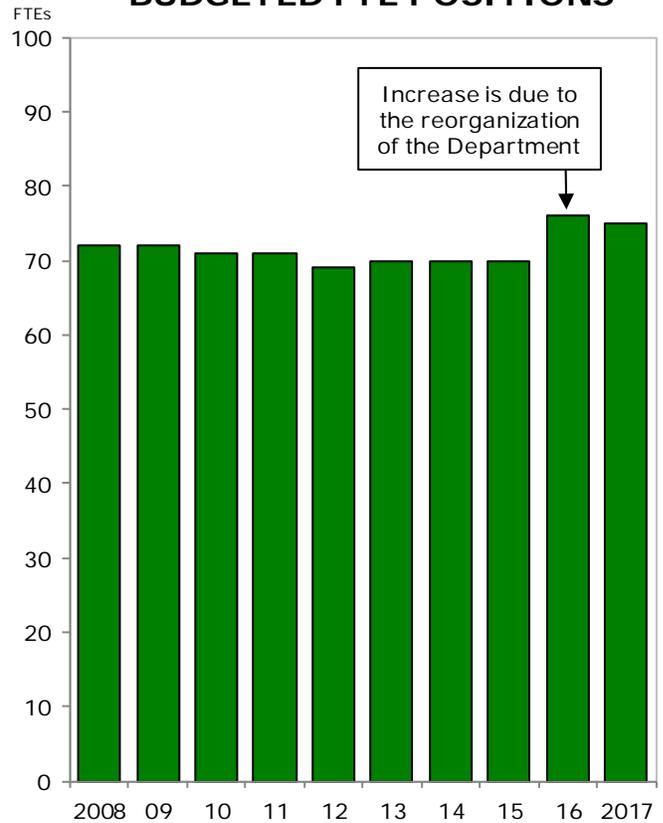
## FUNCTIONS



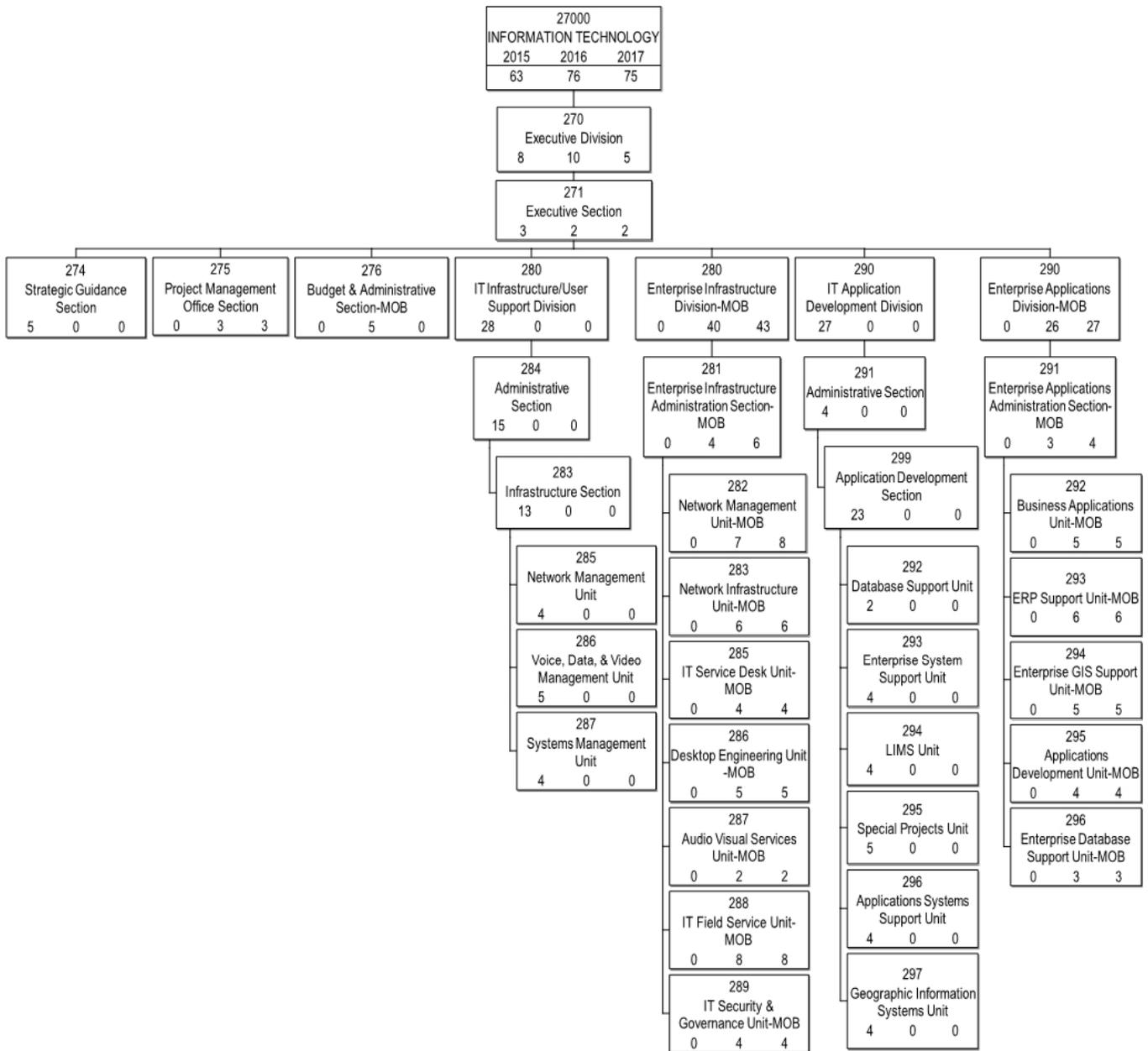
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# INFORMATION TECHNOLOGY



Effective 01/01/2016, the Information Technology Department was reorganized.

# INFORMATION TECHNOLOGY

**The mission of the Information Technology Department (ITD) is to promote successful achievement of the District's Strategic Business Plan through targeted information technology (IT) investments and services and to maintain technology infrastructures and architectures at levels that promote efficacy, efficiency, and sustainable practices throughout the District.**

## Departmental Summary

In pursuit of its mission, the ITD coordinates the planning and implementation of IT throughout the District. The ITD establishes District-wide computer standards and provides services in the following key areas: IT planning and program management, design and implementation, applications development and support, infrastructure operations and maintenance, user support, security, and disaster recovery.

## Summary of 2016 Accomplishments

- Completed the relocation of the District's offsite data center;
- Continued the implementation of a new Real Estate/Geographic Information System (GIS) for the Law Department to manage leases and property;
- Continued the implementation of the IT Infrastructure Strategy, including upgraded firewalls and the implementation of continuous threat prevention and mobile device management platforms;
- Completed the upgrade/replacement of unreliable wide area network connections at the Lawndale Avenue Solids Management Area;
- Completed the installation of wireless networks at the Main Office Building Complex and conference rooms at various Water Reclamation Plants;
- Upgraded videoconference infrastructure, including Polycom-based desktop and mobile device client capabilities, allowing video conferencing from desktops and mobile devices;
- Initiated the implementation of a new agile application development platform, which will lead to more rapid application development and deployment;
- Initiated the implementation of a new Information Technology Service Management solution to enhance help desk services, resulting in improved customer response;
- Implemented a project to move disparate databases to a single database platform;
- Continued the deployment of personal computers to replace outdated thin client devices;
- Initiated the implementation of a concise information technology service catalog;
- Implemented a new Citrix environment to provide more reliable applications.

## Budget Highlights

The 2017 appropriation for the ITD is \$17,283,200, a decrease of \$165,400, or 0.9 percent, from 2016. The proposed 2017 staffing level is 75, a decrease of one from 2016. One Systems Administrator position was added, one Administrative Specialist position was dropped, and one Management Analyst III position was transferred to General Administration.

Significant features of the 2017 budget are:

- Continue the evaluation and alignment of ITD's existing strategic plan to promote the achievement of the District's Strategic Business Plan;
- Expand the use of GIS applications and continue implementation of the Real Estate Portfolio Management System, performance dashboards, and the SAP enterprise system evaluation to increase business efficiencies;
- Develop agile applications, reducing the time to market for in-house developed applications;
- Continue the development of the ITD's Project Management Office Section;
- Continue the implementation of a standardized project management methodology for all ITD-related projects;
- Start to develop a center of excellence within the ITD to help align ITD priorities with overall District priorities through continuous review of projects and implementations, enhancing customer response;
- Continue the implementation of the Information Technology Service Management solution;
- Continue the implementation of the Information Technology Service catalog;
- Complete the deployment of personal computers to replace outdated thin client devices, reducing the overall data load on the District's systems and enhancing the user experience.

## **2017 Initiatives in Support of the Strategic Business Plan Include the Following:**

### **• Add Value**

The ITD supports the various systems that are used by the departments to implement their strategies. Among these are the internet-based Publicly owned treatment works Administration and Compliance System, the Laboratory Information Management System, the Combined Sewer Overflow Notification System, the Small Streams Maintenance Reporting System, the Metropolitan Water Reclamation District Incident Reporting System, the Stormwater Inundation Mapping Application, and the Stormwater Management Reporting Application.

The ITD will continue to pursue green initiatives, both in its own support environment and by assisting with other departments' initiatives. The ITD will provide conference calls, online meetings, and integrated messaging using Microsoft Office 365. This supports the District's green initiative by allowing individuals to schedule online meetings utilizing screen sharing and conference call management, thus providing savings in travel time and travel expenses.

### **• Excellence**

The development and implementation of performance management dashboards will continue during 2017. This project will provide executives and managers with the ability to monitor the performance of various key business performance indicators.

The ITD will continue to assist the Office of Public Affairs in improving the delivery and maintenance of the District's website content located at [mwrdr.org](http://mwrdr.org), to provide easy and transparent access to reports and data, and clear, consistent, accurate, and accessible information about the District and our areas of responsibility.

The development and use of current technologies, such as mobile applications, will facilitate interaction with the public and deliver reliable and useful information. The first District-developed mobile application, the Metropolitan Water Reclamation District Citizen Incident Reporting System, available at [mwrdr.org](http://mwrdr.org), was developed for use by the public to report odor, water pollution, waterway blockage, or other incidents.

### **• Resource Recovery**

The ITD supports systems that are used by the departments to implement their strategies to pursue the recovery of natural resources. Among these are the internet-based Publicly owned treatment works Administration and Compliance System, Laboratory Information Management System, and the Scales application. In addition, the ITD is committed to maintaining a reliable and flexible technology infrastructure to support new initiatives as they are introduced.

### **• Develop Employees**

The ITD will continue to develop a culture that encourages a collaborative environment, where the contributions of every employee are recognized. The ITD will continue to develop process- and people-focused skill sets to meet the challenges of the changing demands of user departments and current technology platforms. When projects require highly specialized subject matter expertise, the department may partner with outside resources. Management will work with staff to develop competency-based individual development plans and ensure that employees recognize and understand their accountabilities.

The ITD will continue to facilitate the overall development of the District's employees by providing the audio and video infrastructure to prepare in-house training sessions, which will be available to all employees via the District's portal. The portal supports other training materials as well.

The ITD will continue to support the use of videoconferencing technologies and webinars to facilitate meetings and on-site training. Infrastructure improvements will facilitate the anticipated increased use of web-based training, managed by the Human Resources Department, from employee workstations.

### **• Leading Partnerships**

The ITD will continue to maintain its relationship with the Water and Wastewater Chief Information Officer (CIO) Forum<sup>sm</sup>, which is the only water and wastewater agency-focused organization for information technology executives in the industry. The Water and Wastewater CIO Forum<sup>sm</sup> provides its members with the unique opportunity to discuss specific IT leadership challenges and solutions with their industry counterparts. It also provides an opportunity for members to engage with industry leaders from global technology companies regarding the future state of systems relevant to the District.

ITD staff will continue to attend the Water Environment Federation's Annual Technical Exhibition and Conference to stay abreast of IT developments in water quality.

### **• Technology**

The ITD will continue efforts to simplify the SAP enterprise system to increase utilization and maximize effectiveness by reducing the amount of customization and leveraging standard built-in functionality. The formalized SAP Evaluation Project includes an evaluation of the SAP enterprise system with the Total Cost of Operations initiative. This initiative will result in a roadmap to cost reduction, release of capacity, and budgets for innovation, while maintaining business continuity and consolidation of the SAP enterprise system landscape for the future, leveraging on premise and/or cloud computing. The

roadmap will be used to update the SAP enterprise system to provide a simplified, user-friendly system that maximizes the use of the capabilities offered in the core system.

The GIS program will continue to grow via data development, application development, and continued systems integration. Application and data development will continue to focus on providing District staff with the richest geographic information available while integrating it with the current business systems to support various business decisions. Also in 2017, the GIS program will continue to deliver data and applications to District field staff via mobile devices providing them with a more streamlined and efficient mechanism to enter data at the point of origin.

The ITD will continue to upgrade technology infrastructure, such as storage area networks, servers, VMware, Citrix, and desktops, which will provide higher reliability and availability, as well as reduce power and cooling requirements. Completion is scheduled for the end of 2018.

The ITD will continue to pursue opportunities for enterprise solutions to ensure that efforts can be shared across agency resources. Efforts are currently underway in the areas of document management, project management, and the use of Microsoft Office 365. The move to the use of Microsoft Office 365 by the end of 2016 will not only provide employees with the latest versions of Microsoft Office software, but will also move them into the mobile workspace, by providing access to District email and documents on up to five different devices (including Windows Phone, iOS, and Android devices). The ITD expects considerable savings over time in infrastructure, administration, and licensing costs due to the Microsoft Office 365 implementation.

**27000 INFORMATION TECHNOLOGY**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. <b>COMPUTER HARDWARE AND SOFTWARE SUPPORT:</b> The Information Technology Department (ITD) provides maintenance and operations of all hardware, including SAP servers, storage area networks/thin client central computer hardware, and software for nine major locations.	\$ 1,666,200	9.6%
2. <b>VOICE, DATA, AND VIDEO COMMUNICATIONS SUPPORT:</b> The Enterprise Infrastructure Division maintains the District's wide area network as well as the Main Office Building Complex local area networks. Staff is responsible for planning, installing, and maintaining of voice, data, and video communications for the entire District.	\$ 2,660,500	15.4%
3. <b>INFORMATION SYSTEMS PLANNING AND COORDINATION:</b> Provides a strategic perspective used to align the ITD with the stated goals and objectives of the District and its departments. The staff is responsible for services such as strategic planning of technology and communications as well as disaster recovery planning.	\$ 1,375,700	8.0%
4. <b>SYSTEMS ANALYSIS AND PROGRAMMING:</b> The Enterprise Applications Division will be responsible for the system management of the Enterprise Financial System applications which includes ongoing database maintenance, system configuration, and enhancement using Advanced Business Application Programming techniques. Internet/Intranet services will continue to expand to meet the District's needs.	\$ 1,842,300	10.7%
5. <b>COMPUTER OPERATIONS SUPPORT:</b> The ITD operates two computer rooms which house the District's Sun and ALPHA systems, storage area networks, network servers, and ancillary equipment.	\$ 4,466,200	25.8%
6. <b>DEPARTMENTAL SERVICES:</b> The ITD provides direct consulting, planning, and maintenance assistance to all departments as well as the administration of storage area networks/thin clients and necessary networking. Additional services include support of department-specific software such as Laboratory Information Management System, Maintenance Management System, and the internet-based Publicly owned treatment works Administration and Compliance System, along with Treasury and real estate applications.	\$ 3,694,600	21.4%
7. <b>COMPUTER SECURITY:</b> The ITD is responsible for the security of all District information systems, disaster recovery system, and data, which includes monitoring and enforcing compliance with software licensing agreements, District security directives, and the disaster recovery plan. The staff is also responsible for auditing remaining workstations to verify compliance.	\$ 628,100	3.6%
8. <b>DESKTOP APPLICATIONS SUPPORT:</b> The assigned staff will continue to provide applications and technical support to approximately 1,900 computer system users.	\$ 949,600	5.5%
<b>Total</b>	<b>\$17,283,200</b>	<b>100.0%</b>

MEASURABLE GOALS:	2015 Actual	2016 Estimated	2017 Proposed
1. Call Center - Timeframe: Response time to call center requests for assistance.	< 24 Hrs.	< 24 Hrs.	< 24 Hrs.
2. Call Center - Total Repeats: Reduce number of repeat calls for service.	Reduced 10%	Reduce 20%	Reduce 20%
3. Project Schedule: Ensure project completion consistent with Request For Proposal/Budget requests.	On Time	On Time	On Time
4. Project Budget: Ensure the completion of ITD projects at or below budget.	At Budget	Below Budget	At Budget
5. Customer Satisfaction: Ensure user satisfaction with ITD systems, applications, and infrastructure. On a scale of one to five where five is the highest.	3	4	4

**27000 INFORMATION TECHNOLOGY**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted			Change		
Number	Name	Actual		FTEs	Dollars	Dollars	Percent	
7381	Systems Analysis and Programming	\$ 2,052,783	2017	17	\$ 1,842,300	\$ (28,400)	(1.5)	
			2016	17	\$ 1,870,700			
7382	Desktop Applications Support	\$ 424,151	2017	6	\$ 949,600	\$ (94,200)	(9.0)	
			2016	6	\$ 1,043,800			
7383	Voice, Data, and Video Communications Support	\$ 2,769,151	2017	9	\$ 2,660,500	\$ 195,800	7.9	a)
			2016	9	\$ 2,464,700			
7384	Central Computer Hardware and Proprietary Software Support	\$ 2,648,088	2017	8	\$ 1,666,200	\$ (183,600)	(9.9)	b)
			2016	8	\$ 1,849,800			
7385	Computer Operations, Maintenance, and Support	\$ 1,583,085	2017	8	\$ 4,466,200	\$ (84,400)	(1.9)	
			2016	8	\$ 4,550,600			
7387	Computer Security	\$ 283,928	2017	4	\$ 628,100	\$ 97,300	18.3	c)
			2016	4	\$ 530,800			
7388	Information Systems Planning	\$ 533,805	2017	6	\$ 767,300	\$ (13,700)	(1.8)	
			2016	6	\$ 781,000			
7389	Information Systems Coordination	\$ 817,494	2017	3	\$ 608,400	\$ (172,700)	(22.1)	d)
			2016	4	\$ 781,100			
7800	Information Technology Services	\$ 3,462,104	2017	14	\$ 3,587,900	\$ 118,000	3.4	e)
			2016	14	\$ 3,469,900			
7604	Social Security and Medicare Contributions	\$ -	2017	-	\$ 106,700	\$ 500	0.5	
			2016	-	\$ 106,200			
Totals		\$ 14,574,589	2017	75	\$ 17,283,200	\$ (165,400)	(0.9%)	
			2016	76	\$ 17,448,600			

- a) Increase is due to data center services (\$100,000) and the CommVault upgrade (\$160,000), offset by the deferment of the Telecom data center appliance replacements (\$80,000).
- b) Decrease is due to the reduced need for Enterprise Resource Planning consulting (\$125,000) and the completed purchases of VMWare software (\$45,000) and Storage Area Network servers (\$10,000).
- c) Increase is due to the planned purchases of a Cisco Firewall system (\$38,000), Acquia security software service (\$30,500), and Hewlett-Packard 3PAR storage cards (\$30,000).
- d) Decrease is due to the transfer of a Management Analyst III position to General Administration (\$137,100) and the completion of the cyber security assessment (\$75,000), offset by IT management training (\$25,500).
- e) Increase is due to the new request for e-Builder software maintenance (\$247,000), offset by the completion of an AutoCAD upgrade (\$50,000), the completed purchase of SKM Power\*Tools software (\$40,000), an iPACS enhancement (\$32,100), and a wide format printer for the Engineering Department (\$10,000).

**27000 INFORMATION TECHNOLOGY**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7380	Information Technology and Telecommunications					
7381	Acquire, Develop, and Maintain Computer Programs and Systems	Application Modules Supported	80	90	90	
		Cost	\$ 2,052,783	\$ 1,870,700	\$ 1,842,300	
		Cost/Module	\$ 25,659.79	\$ 20,785.56	\$ 20,470.00	
7382	Desktop Applications Support	# of Service Calls	12,126	13,002	13,002	
		Cost	\$ 424,151	\$ 1,043,800	\$ 949,600	
		Cost/Service Call	\$ 34.98	\$ 80.28	\$ 73.03	
7383	Voice, Data, and Video Communications Support	Cost	\$ 2,769,151	\$ 2,464,700	\$ 2,660,500	a)
7384	Central Computer Hardware and Proprietary Software Support	Cost	\$ 2,648,088	\$ 1,849,800	\$ 1,666,200	b)
7385	Computer Operations, Maintenance, and Support	Cost	\$ 1,583,085	\$ 4,550,600	\$ 4,466,200	
7387	Computer Security	Cost	\$ 283,928	\$ 530,800	\$ 628,100	c)
7388	Information Systems Planning	Cost	\$ 533,805	\$ 781,000	\$ 767,300	
7389	Information Systems Coordination	Cost	\$ 817,494	\$ 781,100	\$ 608,400	d)
7800	Information Technology Services	# of Users	1,976	2,000	2,000	
		Cost	\$ 3,462,104	\$ 3,469,900	\$ 3,587,900	e)
		Cost/User	\$ 1,752.08	\$ 1,734.95	\$ 1,793.95	
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 106,200	\$ 106,700	
		Total	\$ 14,574,589	\$ 17,448,600	\$ 17,283,200	

- a) Increase is due to data center services (\$100,000) and the CommVault upgrade (\$160,000), offset by the deferment of the Telecom data center appliance replacements (\$80,000).
- b) Decrease is due to the reduced need for Enterprise Resource Planning consulting (\$125,000) and the completed purchases of VMWare software (\$45,000) and Storage Area Network servers (\$10,000).
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- e) Increase is due to the new request for e-Builder software maintenance (\$247,000), offset by the completion of an AutoCAD upgrade (\$50,000), the completed purchase of SKM Power\*Tools software (\$40,000), an iPACS enhancement (\$32,100), and a wide format printer for the Engineering Department (\$10,000).

101 27000	Fund: Corporate Department: Information Technology Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 7,017,017	\$ 8,686,300	\$ 8,686,300	\$ 4,943,660	\$ 6,800,000	\$ 8,518,700	\$ -
601060	Compensation Plan Adjustments	286,491	186,300	186,300	62,894	100,000	230,000	-
601070	Social Security and Medicare Contributions	-	106,200	106,200	70,370	86,100	106,700	-
601100	Tuition and Training Payments	78,419	90,000	90,000	10,004	10,000	86,700	-
601170	Payments for Professional Services	219,460	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	7,601,387	9,068,800	9,068,800	5,086,927	6,996,100	8,942,100	-
612010	Travel	401	1,500	1,500	-	500	400	-
612030	Meals and Lodging	1,474	2,000	2,000	-	700	1,500	-
612040	Postage, Freight, and Delivery Charges	-	-	1,000	106	500	-	-
612050	Compensation for Personally-Owned Automobiles	4,539	5,100	5,100	1,612	3,000	4,700	-
612080	Motor Vehicle Operating Services	-	100	100	-	-	-	-
612210	Communication Services	1,140,572	1,304,400	1,304,400	1,270,794	1,205,300	1,422,400	-
612330	Rental Charges	266,486	310,000	310,000	276,907	277,000	325,500	-
612430	Payments for Professional Services	-	640,300	639,300	634,066	505,000	357,400	-
612490	Contractual Services, N.O.C.	451	2,700	2,700	2,000	2,500	20,000	-
612810	Computer Equipment Maintenance	510,287	651,000	651,000	493,006	479,900	376,100	-
612820	Computer Software Maintenance	3,464,107	3,650,200	3,650,200	3,353,575	3,000,000	4,057,600	-
612840	Communications Equipment Maintenance (Includes Software)	652,111	788,000	788,000	765,881	760,900	796,400	-
200	TOTAL CONTRACTUAL SERVICES	6,040,430	7,355,300	7,355,300	6,797,947	6,235,300	7,362,000	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	22,584	19,100	19,100	6,641	8,500	17,000	-
623720	Books, Maps, and Charts	343	400	400	166	400	-	-
623800	Computer Software	158,976	250,700	250,700	134,641	82,000	331,900	-
623810	Computer Supplies	546,455	485,200	485,200	485,130	485,100	423,500	-
623850	Communications Supplies	84,863	122,300	122,300	119,718	114,900	131,700	-
300	TOTAL MATERIALS AND SUPPLIES	813,221	877,700	877,700	746,296	690,900	904,100	-
634810	Computer Equipment	24,770	20,000	20,000	19,259	19,500	45,000	-
634820	Computer Software	15,134	14,800	14,800	-	13,000	30,000	-

101 27000	Fund: Corporate Department: Information Technology Division:	LINE ITEM ANALYSIS						
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
634840	Communications Equipment (Includes Software)	79,647	112,000	112,000	20,779	100,800	-	-
400	TOTAL MACHINERY AND EQUIPMENT	119,551	146,800	146,800	40,038	133,300	75,000	-
TOTAL INFORMATION TECHNOLOGY		\$ 14,574,589	\$ 17,448,600	\$ 17,448,600	\$ 12,671,209	\$ 14,055,600	\$ 17,283,200	\$ -

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).

Fund: Corporate Dept: Information Technology Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>270</b>	<b>Executive Division</b>					
<b>271</b>	<b>Executive Section</b>					
EX17	Director of Information Technology	1	1		1	
HP17	Management Analyst III #2 (Senior Budget & Management Analyst) (New Grade HP16)	1	-		-	
EX06	Secretary to Officer	1	1		1	
TOTAL	Executive Section	3	2	329,826.90	2	329,826.90
<b>274</b>	<b>Strategic Guidance Section</b>					
HP19	Computer Technology Supervisor	1	-		-	
HP18	Computer Security Analyst	1	-		-	
HP18	Senior Network Analyst	1	-		-	
HP17	Computer Systems Administrator	1	-		-	
HP11	Word Processing Coordinator #2 (Administrative Specialist)	1	-		-	
TOTAL	Strategic Guidance Section	5	-	-	-	-
<b>275</b>	<b>Project Management Office Section</b>					
HP19	Project Management Office Manager	-	1		1	
HP17	Senior Business Analyst #2 (New Grade HP16)	-	1		-	
HP16	Senior Business Analyst	-	-		1	
HP15	Business Analyst #2 (New Grade HP14)	-	1		-	
HP14	Business Analyst	-	-		1	
TOTAL	Project Management Office Section	-	3	320,746.66	3	290,780.36
<b>276</b>	<b>Budget &amp; Administrative Section - MOB</b>					
HP17	Management Analyst III #2 (Senior Budget & Management Analyst) (New Grade HP16)	-	1		-	
HP11	Administrative Specialist	-	3		-	
HP11	Administrative Specialist #4	-	1		-	
TOTAL	Budget & Administrative Section - MOB	-	5	435,184.10	-	-
TOTAL	Executive Division	8	10	1,085,757.66	5	620,607.26

Fund: Corporate Dept: Information Technology Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>280</b>	<b>Enterprise Infrastructure Division - MOB (formerly IT Infrastructure / User Support Division)</b>					
<b>281</b>	<b>Enterprise Infrastructure Administration Section - MOB</b>					
HP20	Assistant Director of Information Technology	-	1		1	
HP19	Information Technology Manager	-	3		3	
HP11	Administrative Specialist	-	-		2	
TOTAL	Enterprise Infrastructure Administration Section - MOB	-	4	520,033.02	6	646,979.06
<b>282</b>	<b>Network Management Unit - MOB</b>					
HP18	Senior Network Engineer #1	-	1		1	
HP18	Senior Systems Administrator	-	1		1	
HP18	Senior Systems Administrator #1	-	1		1	
HP17	Computer Systems Administrator #2 (Systems Administrator) (New Grade HP16)	-	3		3	
HP17	Senior Systems Programmer #2 (Systems Administrator) (New Grade HP16)	-	1		1	
HP16	Systems Administrator	-	-		1	
TOTAL	Network Management Unit - MOB	-	7	946,998.78	8	1,051,872.90
<b>283</b>	<b>Network Infrastructure Unit - MOB</b>					
HP18	Senior Network Engineer	-	1		1	
HP16	Network Engineer	-	4		4	
NR1541	Telecommunications Specialist	-	1		1	
TOTAL	Network Infrastructure Unit - MOB	-	6	659,744.02	6	667,907.50
<b>285</b>	<b>IT Service Desk Unit - MOB</b>					
HP15	IT Support Coordinator	-	1		1	
HP12	Systems Support Specialist II #2 (IT Support Analyst I) (New Grade HP11)	-	1		1	
HP11	IT Support Analyst I	-	2		2	
TOTAL	IT Service Desk Unit - MOB	-	4	299,873.86	4	299,873.86
<b>286</b>	<b>Desktop Engineering Unit - MOB</b>					
HP18	Senior Desktop Engineer	-	1		1	
HP17	Computer Systems Administrator #2 (Desktop Engineer) (New Grade HP16)	-	3		3	

Fund: Corporate Dept: Information Technology Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP15	Computer Systems Coordinator #2 (Desktop Analyst) (New Grade HP14)	-	1		1	
TOTAL	Desktop Engineering Unit - MOB	-	5	629,358.60	5	634,841.48
<b>287</b>	<b>Audio Visual Services Unit - MOB</b>					
HP16	A/V Administrator	-	1		1	
HP14	A/V Analyst	-	1		1	
TOTAL	Audio Visual Services Unit - MOB	-	2	192,660.78	2	192,660.78
<b>288</b>	<b>IT Field Service Unit - MOB</b>					
HP18	Senior Computer Systems Administrator #2 (IT Support Coordinator) (New Grade HP15)	-	1		1	
HP17	Computer Systems Administrator #2 (IT Support Analyst II) (New Grade HP13)	-	3		3	
HP15	Computer Systems Coordinator #2 (IT Support Analyst II) (New Grade HP13)	-	1		1	
HP15	Computer Systems Coordinator #2 (IT Support Analyst I) (New Grade HP11)	-	2		1	
HP11	IT Support Analyst I	-	1		2	
TOTAL	IT Field Service Unit - MOB	-	8	902,252.52	8	901,766.06
<b>289</b>	<b>IT Security &amp; Governance Unit - MOB</b>					
HP18	Senior IT Security Administrator	-	1		1	
HP17	Computer Systems Administrator #2 (IT Security Analyst) (New Grade HP14)	-	1		1	
HP17	IT Security Administrator #2 (New Grade HP16)	-	1		-	
HP16	IT Security Administrator	-	-		1	
HP14	IT Security Analyst	-	1		1	
TOTAL	IT Security & Governance Unit - MOB	-	4	470,717.78	4	460,407.22
<b>284</b>	<b>Administrative Section</b>					
HP20	Assistant Director of Information Technology	1	-		-	
HP18	Senior Computer Systems Administrator	1	-		-	
HP17	Computer Systems Administrator	5	-		-	
HP15	Computer Systems Coordinator	3	-		-	
HP12	Systems Support Specialist II	1	-		-	
HP11	Systems Support Specialist I	2	-		-	

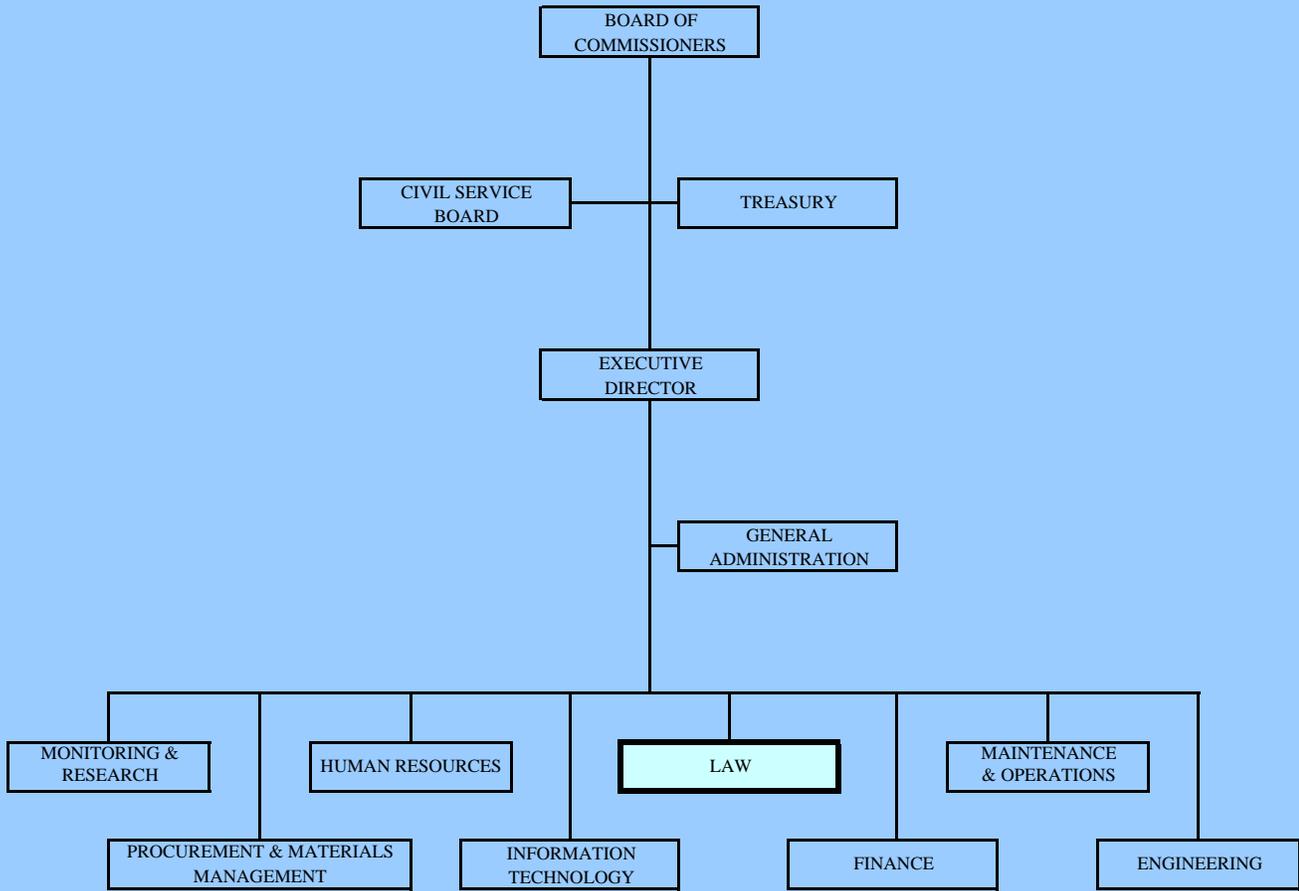
Fund: Corporate Dept: Information Technology Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP11	Administrative Specialist	2	-		-	
TOTAL	Administrative Section	15	-	-	-	-
<b>283</b>	<b>Infrastructure Section</b>					
<b>285</b>	<b>Network Management Unit</b>					
HP18	Senior Network Analyst	1	-		-	
HP16	Network Analyst	3	-		-	
TOTAL	Network Management Unit	4	-	-	-	-
<b>286</b>	<b>Voice, Data, &amp; Video Management Unit</b>					
HP18	Senior Computer Systems Administrator	1	-		-	
HP17	Computer Systems Administrator	2	-		-	
HP16	Senior Telecommunications Specialist	1	-		-	
NR1541	Telecommunications Specialist	1	-		-	
TOTAL	Voice, Data, & Video Management Unit	5	-	-	-	-
<b>287</b>	<b>Systems Management Unit</b>					
HP18	Senior Network Analyst	1	-		-	
HP17	Computer Systems Administrator	2	-		-	
HP15	Computer Systems Coordinator	1	-		-	
TOTAL	Systems Management Unit	4	-	-	-	-
TOTAL	Infrastructure Section	13	-	-	-	-
TOTAL	Enterprise Infrastructure Division - MOB (formerly IT Infrastructure / User Support Division)	28	40	4,621,639.36	43	4,856,308.86
<b>290</b>	<b>Enterprise Applications Division - MOB (formerly IT Application Development Division)</b>					
<b>291</b>	<b>Enterprise Applications Administration Section - MOB</b>					
HP20	Assistant Director of Information Technology	-	1		1	
HP19	Information Technology Manager	-	2		2	
HP11	Administrative Specialist	-	-		1	
TOTAL	Enterprise Applications Administration Section - MOB	-	3	442,526.50	4	498,802.20

Fund: Corporate Dept: Information Technology Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>292</b>	<b>Business Applications Unit - MOB</b>					
HP18	Senior Applications Administrator	-	1		1	
HP17	Webmaster #1	-	1		1	
HP16	Applications Administrator	-	2		2	
HP14	Applications Analyst	-	1		1	
TOTAL	Business Applications Unit - MOB	-	5	585,625.30	5	585,625.30
<b>293</b>	<b>ERP Support Unit - MOB</b>					
HP18	Senior Applications Administrator	-	1		1	
HP17	Senior Systems Programmer #1	-	2		2	
HP16	Applications Administrator	-	1		1	
HP14	Applications Analyst	-	2		2	
TOTAL	ERP Support Unit - MOB	-	6	688,143.82	6	693,626.70
<b>294</b>	<b>Enterprise GIS Support Unit - MOB</b>					
HP18	Senior Applications Administrator	-	1		1	
HP16	Applications Administrator #2 (GIS Analyst) (New Grade HP14)	-	2		2	
HP14	GIS Analyst	-	2		2	
TOTAL	Enterprise GIS Support Unit - MOB	-	5	553,971.60	5	553,971.60
<b>295</b>	<b>Applications Development Unit - MOB</b>					
HP18	Senior Applications Developer	-	1		1	
HP16	Applications Administrator	-	1		1	
HP16	Applications Developer	-	1		1	
HP14	Applications Analyst	-	1		1	
TOTAL	Applications Development Unit - MOB	-	4	382,190.12	4	382,190.12
<b>296</b>	<b>Enterprise Database Support Unit - MOB</b>					
HP18	Senior Database Administrator	-	1		1	
HP16	Data Base Analyst II	-	2		-	
HP16	Database Administrator	-	-		2	
TOTAL	Enterprise Database Support Unit - MOB	-	3	370,265.22	3	370,265.22

Fund: Corporate Dept: Information Technology Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>291</b>	<b>Administrative Section</b>					
HP20	Assistant Director of Information Technology	1	-		-	
HP18	Systems Analyst	2	-		-	
HP11	Administrative Specialist	1	-		-	
TOTAL	Administrative Section	4	-	-	-	-
<b>299</b>	<b>Application Development Section</b>					
<b>292</b>	<b>Database Support Unit</b>					
HP16	Database Analyst	1	-		-	
HP14	Programmer	1	-		-	
TOTAL	Database Support Unit	2	-	-	-	-
<b>293</b>	<b>Enterprise System Support Unit</b>					
HP18	Systems Analyst	1	-		-	
HP17	Webmaster	1	-		-	
HP16	Senior Programmer Analyst	1	-		-	
HP14	Programmer	1	-		-	
TOTAL	Enterprise System Support Unit	4	-	-	-	-
<b>294</b>	<b>LIMS Unit</b>					
HP16	Database Analyst	1	-		-	
HP16	Senior Programmer Analyst	2	-		-	
HP14	Programmer	1	-		-	
TOTAL	LIMS Unit	4	-	-	-	-
<b>295</b>	<b>Special Projects Unit</b>					
HP19	Supervising Systems Analyst	1	-		-	
HP18	Systems Analyst	1	-		-	
HP16	Senior Programmer Analyst	3	-		-	
TOTAL	Special Projects Unit	5	-	-	-	-
<b>296</b>	<b>Applications Systems Support Unit</b>					
HP18	Senior Computer Systems Administrator	1	-		-	

Fund: Corporate Dept: Information Technology Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP17	Senior Systems Programmer	3	-		-	
TOTAL	Applications Systems Support Unit	4	-	-	-	-
<b>297</b>	<b>Geographic Information Systems Unit</b>					
HP18	Systems Analyst	1	-		-	
HP17	Computer Systems Administrator	1	-		-	
HP16	Senior Programmer Analyst	1	-		-	
HP14	Programmer	1	-		-	
TOTAL	Geographic Information Systems Unit	4	-	-	-	-
TOTAL	Application Development Section	23	-	-	-	-
TOTAL	Enterprise Applications Division - MOB (formerly IT Application Development Division)	27	26	3,022,722.56	27	3,084,481.14
TOTAL	Information Technology	63	76	8,730,119.58	75	8,561,397.26

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.



**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

Subject: 2017 Program for the Law Department

The Law Department's program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department's 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Law Department budget for 2017.

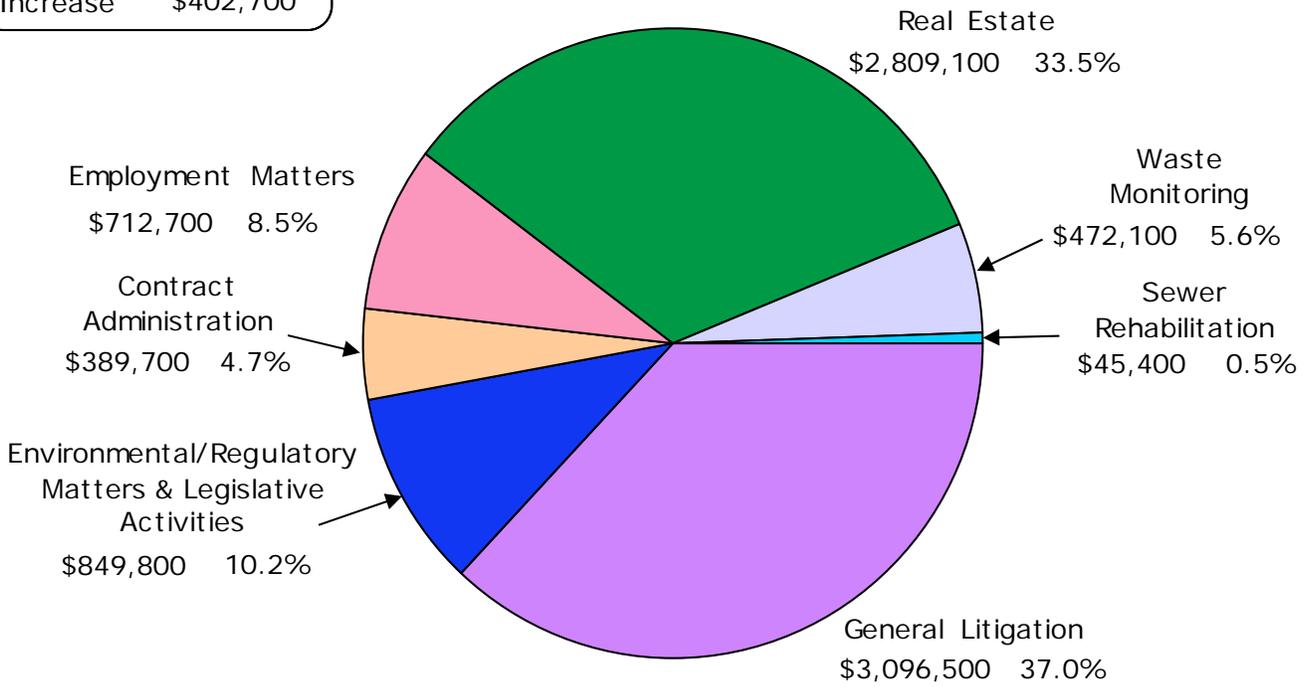
Respectfully submitted,



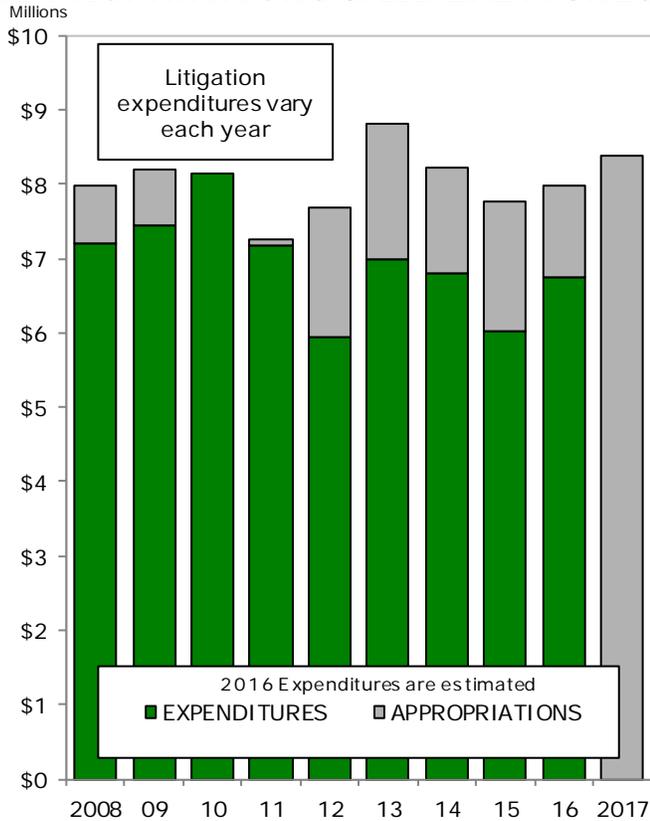
Ronald M. Hill  
General Counsel

## LAW FUNCTIONS

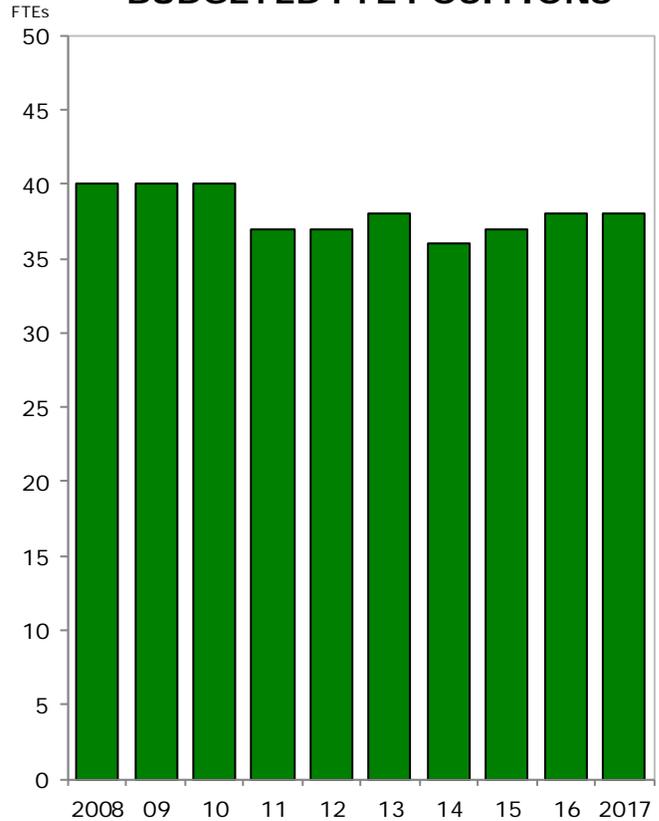
2017	\$8,375,300
2016	\$7,972,600
Increase	\$402,700



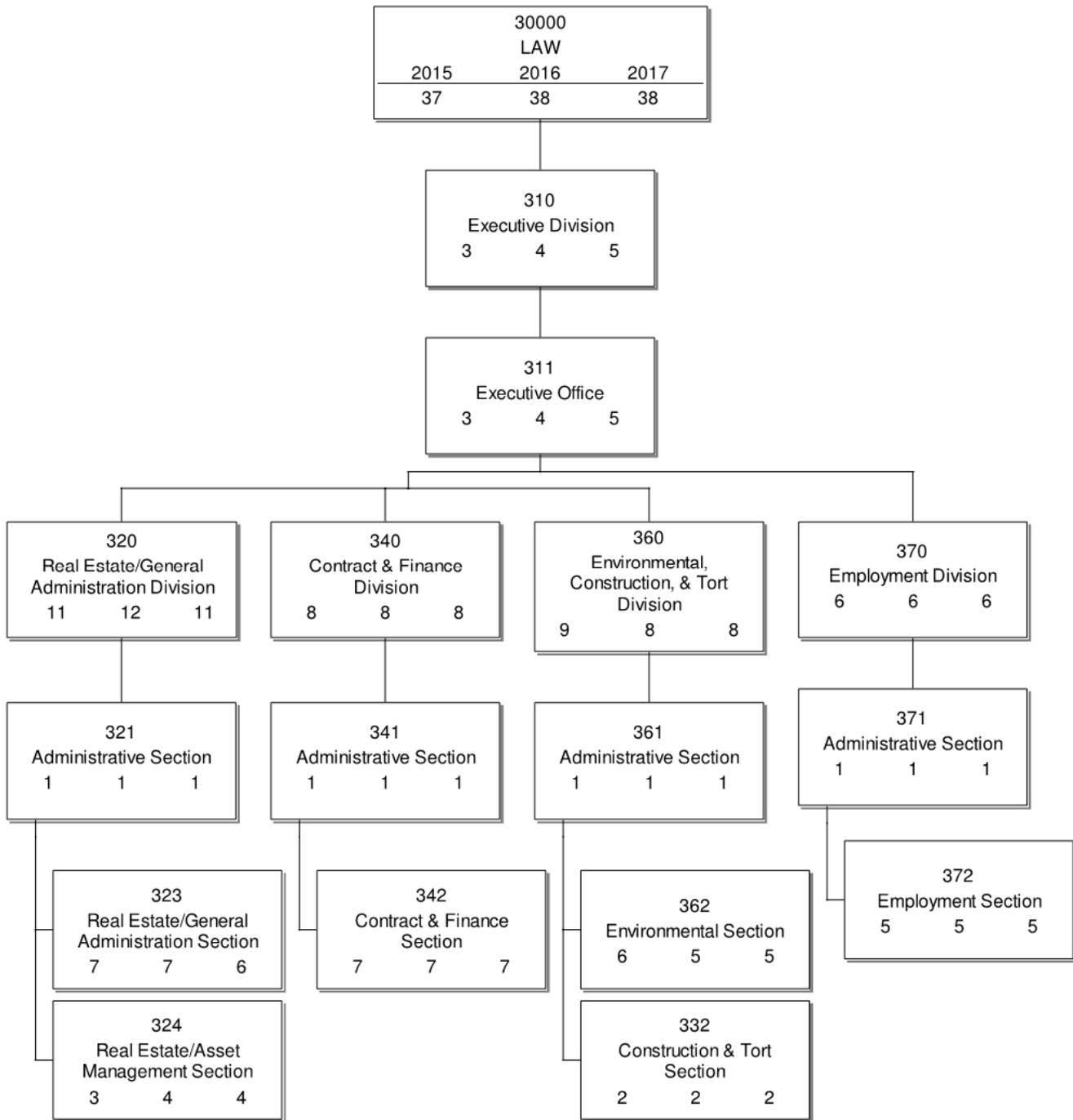
### APPROPRIATIONS & EXPENDITURES



### BUDGETED FTE POSITIONS



# LAW



## LAW

**The mission of the Law Department is to provide high quality cost-effective legal counsel, representation, litigation and transactional services, and real estate administration services to the District.**

### Departmental Summary

The department's primary responsibilities include:

- Providing legal counsel to the Board of Commissioners, Executive Director, and department heads;
- Working with other departments to implement initiatives;
- Ensuring compliance with laws, regulations, and ordinances applicable to the District;
- Performing all necessary legal actions regarding environmental, tort, contractual, financial, employment, municipal, and real estate matters, including litigation;
- Representing the District in administrative hearings, arbitration, and litigation at the trial and appellate levels in state and federal courts;
- Administering approximately 24,000 acres of District real estate.

### Summary of 2016 Accomplishments

- Processed 364 Freedom of Information Act requests;
- Successfully implemented the Rain Barrel Program involving partnerships with multiple municipalities and non-governmental organizations that resulted in achieving compliance with a key component of Green Infrastructure requirements of Consent Decree, including negotiating 35 Intergovernmental Agreements and Memoranda of Understanding in 2016;
- Provided extensive legal counsel in connection with the implementation of numerous stormwater management projects under the District's Watershed Management Ordinance and Flood-Prone Property Acquisition policy, including the negotiation of 30 agreements;
- Persuaded the Illinois Supreme Court to reverse the Illinois Appellate Court's answer to a certified question under the Takings Clause of the Illinois Constitution, overturning the decisions of both the trial and appellate courts and providing much needed guidance as to the elements necessary for temporary flooding to be considered compensable under the Illinois Takings Clause;
- Successfully negotiated an Intergovernmental Agreement with the Cook County Sheriff's Office to expand the network of sites in the District where residents can dispose of unused pharmaceutical drugs, in an effort to reduce the risk of contamination of the Chicago Area Waterway System in a safe and environmentally sound manner;
- Worked with the Maintenance & Operations and Procurement & Materials Management Departments to enhance the District's progressive approach to energy management, including procuring an aggressive curtailment program in which the District will be compensated for its cooperation in stabilizing the grid and the competitive sale of renewable energy credits generated at Lockport Powerhouse;
- Participated in and provided legal services to the Treasury Section in the 2016 bond sale that achieved savings in excess of \$120 million of future debt service;
- Assisted the Human Resources Department in improving the Tuition Reimbursement Program by implementing recommended policy and procedural amendments;
- Drafted and worked to obtain passage of a comprehensive new Resource Recovery Ordinance, which provides the legal framework for the District's resource recovery initiatives;
- Completed a Land Acquisition Manual to establish a uniform procedure for land acquisition by the District, including allied functions such as preparation of right-of-ways and relocation assistance.

### Budget Highlights

The 2017 appropriation for the Law Department is \$8,375,300, an increase of \$402,700, or 5.1 percent, from 2016. The 2017 staffing level remains at 38 positions which includes the addition of a Head Assistant Attorney position and a drop of one Legal Assistant position.

Significant features of the 2017 budget are:

- Develop a partnership with the City of Chicago to implement a pilot program to study and test the effectiveness of various residential basement backup protection devices;
- Increase real estate lease and easement income to approximately \$19,000,000;
- Continue to enhance efficiency and transparency of Civil Service Board proceedings by developing a proposed Standing Order regarding case procedures.

**2017 Initiatives in Support of the Strategic Business Plan Include the Following:**

• **Add Value**

The Law Department will administer a cost-effective real estate program. The Real Estate/General Administration Division has continued to pursue a multi-pronged approach to the administration of District lands not currently required for its corporate purposes. This balanced program seeks to maximize rental income in those instances where District land is made available for private use in accordance with state law, incorporate green infrastructure into leases whenever possible, improve the aesthetics of and create greater opportunity for public access and use of District land located along its waterways, and ensure the protection of District lands including, but not limited to, environmental remediation.

The District’s rental revenues continue to increase, while efforts to re-lease expired and remediated leaseholds at higher rentals continue. While maximizing rentals from private use of District land, the Real Estate/General Administration Division has remained committed to improving the aesthetics, public access, and public recreational opportunities along its waterways. Toward that end, the District continues to lease some of its land, for a nominal fee, to local park districts, the Forest Preserve District, and municipalities for the specific purpose of providing the general public with greater access to recreational opportunities along the waterways.

The Law Department evaluates a variety of contracts and agreements for the acquisition of equipment, labor, software, construction and professional services. The different categories include sole source, furnish and deliver, emergency matters, as well as maintenance. The dollar amounts of the agreements reviewed range from the thousands to the hundreds of millions. The agreements also vary in complexity. The Contract Division reviews approximately 100 agreements per year. The average number of workdays to review all contracts, from the fairly routine to the more complex, is approximately eight workdays. While the overall goal is to review and comment on all contracts within the time frame requested by the operating department, the Law Department is striving to further reduce the average turnaround time.

• **Excellence**

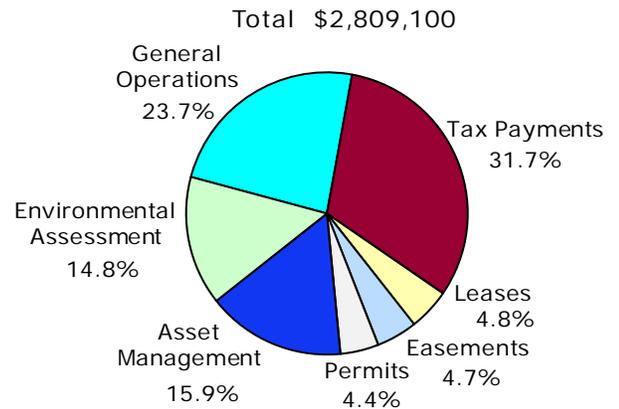
The Law Department employs multiple-tactic strategies to achieve optimal results for the District in the legal arena. First, by making sure the District maintains compliance with all applicable laws, we keep claim filings low. We continually counsel, train, and advise management as to best practices. When potential claims do arise, we assess the potential liability and costs and recommend actions to resolve them or maximize the District’s position. If litigation cannot be avoided, we use all tools at our disposal to obtain dismissal or summary judgment, negotiate favorable settlements, or if necessary, to prevail at trial. If necessary, we will pursue our cases all the way to the Supreme Court. Our careful preparation, skill, resource management, risk management, and determination allow the District to take the most advantageous route to accomplish its goals at the lowest possible cost.

• **Resource Recovery**

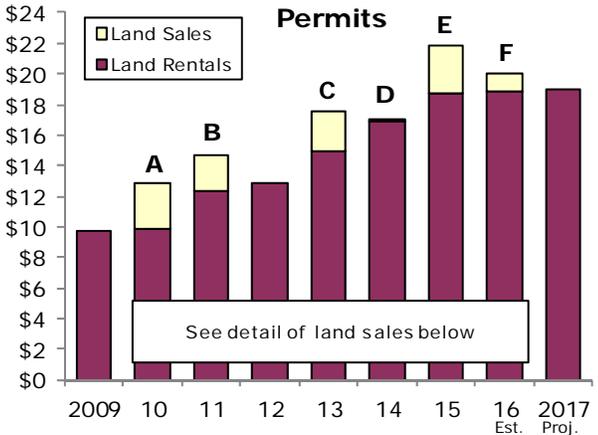
In 2017, the Law Department will continue the implementation of the District’s Resource Recovery Plan by assisting the technical departments in the administration of the District’s new Resource Recovery Ordinance. The ordinance outlines the District’s program to sell or otherwise dispose of recovered resources or renewable energy resources resulting from the operation of District facilities. The Law Department will provide counsel and continuous support to the District’s Board of Commissioners, technical, and financial professionals in connection with various exciting renewable energy initiatives that will enable the District to achieve its goal of energy neutrality by 2023.

One example of a specific resource recovery effort for which the Law Department will provide legal oversight is the Biogas Renewable Energy Project at the Calumet Water Reclamation Plant, for the design and construction of facilities for the

**2017 Real Estate Program Budget**



**Real Estate Income Land Sales, Leases, Easements, & Permits**



A	60.0 acres sold in Will County
B	317.0 acres sold in Will County
C	300.0 acres sold in Will County
D	5.9 acres sold in Cook County
E	4.2 acres sold to the IL State Toll Authority
F	4.4 acres sold to the City of Chicago

beneficial use of digester gas. This project seeks to maximize the production of clean biogas (methane) for eventual sale to a natural gas utility. Through this legally complex resource recovery initiative, naturally occurring byproducts of the District's anaerobic digestion process will be utilized in the creation of a renewable energy resource that is economically beneficial, energy efficient, and environmentally responsible.

Another component of this effort is negotiation by the Law Department of an agreement with an organic waste supply manager who will furnish and deliver sufficient quantities of high strength liquid waste to the District to be utilized in the District's Biogas Renewable Energy Project, as well as negotiating an agreement to furnish and deliver sufficient quantities of a liquid carbon product to aid in the biological removal of phosphorous from the District's effluent water.

The Law Department will also support the District's efforts to beneficially reuse biosolids that are a byproduct of the District's wastewater treatment operations. Specifically, the Law Department will assist the technical departments in taking steps towards transforming biosolids into a marketable soil amendment that can be sold in Illinois.

- **Develop Employees**

The Law Department encourages employees to attend professional development conferences and seminars, as well as to complete eLearning courses and wellness programs that are beneficial to the District. In addition, access to continuing legal education webinars is offered through an economical subscription package. The Law Department will continue to support the Human Resources Department in the legal aspects of the Tuition Reimbursement Program policy and procedures. Internally, the Law Department will enhance its onboarding procedure and develop orientation materials for staff new to the department, including the professional competency training plan it has established. We will also resume our intradepartmental seminar series to further enhance employee development.

- **Leading Partnerships**

In 2017, the Law Department will work with numerous local governments and non-governmental organizations and community groups in Cook County to draft, review, and negotiate various types of intergovernmental agreements for projects that fulfill the District's stormwater management and flood control legislative mandate, including both regional and local stormwater management capital projects, green infrastructure, and the acquisition and removal of repetitive loss flood-prone properties. Additionally, in order to continue implementation of the Resource Recovery Act in 2017, significant cooperation with State of Illinois regulators, such as the Illinois Environmental Protection Agency, the Illinois Pollution Control Board, and the Illinois Department of Natural Resources will be required. The Law Department will partner with the technical departments and the state agencies in the development of such rules and regulations.

The Local Governmental Law Consortium that the Law Department established in 2015 provides a professional network with other local government in-house counsel in Cook County. Regular semi-annual meetings have been conducted and the Local Government Law Consortium is currently comprised of sixteen public bodies, including eight Cook County municipalities, the City of Chicago Corporation Counsel, City of Chicago Department of Water Management, City Colleges, Chicago Housing Authority, Forest Preserve District of Cook County, Metropolitan Pier and Exposition Authority, and the Public Building Commission of Chicago. The Law Department will continue its leadership role in the organization through active participation in planning meetings, giving presentations on various legal topics, and ongoing recruitment of new members.

- **Technology**

The recently completed Geographic Information System provides a complete real estate inventory, information, and tracking system for District-owned real estate. It includes pertinent data and visuals for every parcel of real estate owned by the District, along with information concerning occupancy agreements, such as leases, easements, and permits. The Geographic Information System enables staff to efficiently track work assignments and compliance with the terms of occupancy agreements and enhances the Finance Department's ability to collect rents.

The Law Department will continue to utilize electronic filing options before both the Federal and State courts and the newly expanded electronic filing options available before the Equal Employment Opportunity Commission and the Illinois Pollution Control Board. In accordance with our goals to become paperless and efficient, we will continue to monitor and stay abreast of additional electronic filing options currently being developed by the Circuit Court of Cook County and other state and local agencies to be able to utilize them as they become available.

Additionally, all the Law Department's claims data is now tracked electronically within our Legal Files Document Management System and can be readily reported on-demand to the Human Resources Department. This year the Law Department's electronic claims data report will be able to be directly utilized and imported by the Human Resources Department's Risk Management System Origami. The Risk Management Information System (RMIS) will integrate relevant case data tracked by the Law Department, in our case management software, specifically for RMIS purposes. This RMIS information being tracked by the Law Department's case management software will be an essential component used to analyze and report on risk and exposure data arising from the litigation of claims.

**30000 LAW**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. Provide prosecution, defense, and appellate services in litigation. Provide other direct legal services and counseling, as necessary, to the Board of Commissioners, the Executive Director, and the Officers of the District to further the corporate purposes and protect the interests of the District.	\$ 3,096,500	37.0%
2. Handle all environmental matters and monitor all state legislation and legislative activities.	\$ 849,800	10.2%
3. Work with other departments to manage legal aspects of employment-related matters and litigation before the Civil Service Board and in the state and federal courts.	\$ 712,700	8.5%
4. Provide for the administration of all vacant and unoccupied District real estate; administer the leasing and disposition or other use of District real estate when not presently needed for its corporate purposes; assist in and administer the acquisition of right-of-way for District construction and capital improvement projects and other corporate uses; administer environmental and remediation activities; supervise real estate tax litigation; provide assistance in developing and processing the real estate agenda for meetings of the Board of Commissioners.		
Through its leasing and easement grant activities, the Real Estate Division will generate approximately \$19 million in income in 2017.	\$ 2,809,100	33.5%
5. Provide legal services to ensure the proper disposal of wastes through the sewer systems in the Chicagoland area; oversee the diversion of water from Lake Michigan for water quality services; provide legal representation, counseling, and administrative support in connection with enforcement of the Sewage and Waste Control Ordinance, Watershed Management Ordinance, and User Charge Ordinance of the District.	\$ 472,100	5.6%
6. Review proposed contracts, execute awarded contracts, review bond surety and insurance matters, and process Freedom of Information Act requests.	\$ 389,700	4.7%
7. Sewer Rehabilitation. Upon referral from the Engineering Department, the Law Department conducts administrative hearings to enforce compliance with the Watershed Management Ordinance.	\$ 45,400	0.5%
<b>Total</b>	<b>\$8,375,300</b>	<b>100.0%</b>

MEASURABLE GOALS:	Unit of Measure	2015 Actual	2016 Estimated	2017 Proposed
1. Revise lease procedures and policies to enhance the marketability of District real estate while increasing the use of green infrastructure.	Millions	\$18.7	\$18.8	\$19.0
2. Conduct training for managers and supervisors at four District locations on legal issues including record keeping and attorney-client privilege.	Training Sessions	5	3	3
3. Implement the Geographic Information Systems for Real Estate Inventory, Information, and Tracking.		Phase II	Completed	
4. Complete the acquisition of approximately 175 properties for proposed channel improvements along Addison Creek in the municipalities of Northlake, Melrose Park, Stone Park, Bellwood, and Broadview.	Percentage	-	25%	75%

**30000 LAW**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted		Change		
Number	Name	Actual	FTEs	Dollars	Dollars	Percent	
1571	Local Sewer Rehabilitation Ordinance Enforcement Activity	\$ 44,402	2017 1	\$ 45,400	\$ -	-	
			2016 1	\$ 45,400			
4660	Waste Monitoring	\$ 490,073	2017 3	\$ 472,100	\$ (128,800)	(21.4)	a)
			2016 4	\$ 600,900			
7350	General Litigation	\$ 3,288,031	2017 21	\$ 4,982,300	\$ 369,400	8.0	b)
			2016 20	\$ 4,612,900			
7360	Real Estate Operations	\$ 2,195,729	2017 13	\$ 2,809,100	\$ 160,900	6.1	c)
			2016 13	\$ 2,648,200			
7604	Social Security and Medicare Contributions	\$ -	2017 -	\$ 66,400	\$ 1,200	1.8	
			2016 -	\$ 65,200			
Totals		\$ 6,018,235	2017 38	\$ 8,375,300	\$ 402,700	5.1%	
			2016 38	\$ 7,972,600			

- a) Decrease is due to the reallocation of salaries to more accurately reflect current activities (\$101,400).
- b) Increase is due to the optimization of outside professional services of special counsel for environmental matters (\$365,300) and the addition of one Head Assistant Attorney position (\$170,800), offset by the reduction of outside professional services of legal counsel for employment matters (\$165,300), court exhibits copying costs (\$15,000), and court reporting services (\$10,000).
- c) Increase is due to an increase in real estate taxes (\$70,000) and anticipated payments for severance and retirements (\$34,000).

**30000 LAW**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
1571	Local Sewer Rehabilitation Ordinance Enforcement Activity	Cases	19	19	19	
		Cost	\$ 44,402	\$ 45,400	\$ 45,400	
		Cost/Case	\$ 2,336.95	\$ 2,389.47	\$ 2,389.47	
4660	Waste Monitoring					
	Provide Legal Representation and Administrative Support for:					
4662	User Charge Ordinance - Tax-Exempt Users	Cases	7	6	7	
		Cost	\$ 10,774	\$ 48,400	\$ 50,700	
		Cost/Case	\$ 1,539.14	\$ 8,066.67	\$ 7,242.86	
4663	User Charge - Large Commercial/Industrial Users	Cases	28	20	20	
		Cost	\$ 241,394	\$ 262,600	\$ 232,500	
		Cost/Case	\$ 8,621.21	\$ 13,130.00	\$ 11,625.00	
4667	Sewage and Waste Control Ordinance - Significant Industrial Users (SIUs)	Cases	4	8	8	
		Cost	\$ 237,905	\$ 289,900	\$ 188,900	a)
		Cost/Case	\$ 59,476.25	\$ 36,237.50	\$ 23,612.50	
7350	General Litigation					
	Provide Prosecution and Defense Services to Protect the Interests of the District:					
7351	Legislative	Cost	\$ 98,915	\$ 104,100	\$ 173,500	b)
7352	Financial Matters	Cost	\$ 100,385	\$ 101,600	\$ 152,600	b)
7353	Environmental and Regulatory Matters	Cost	\$ 489,061	\$ 541,800	\$ 676,300	b)
7354	Contract Administration	Cost	\$ 496,650	\$ 403,400	\$ 389,700	
7355	Litigation	Cost	\$ 819,494	\$ 1,761,100	\$ 2,093,600	c)
7356	Employment Matters	Cost	\$ 589,164	\$ 893,300	\$ 712,700	d)
7359	General Legal Services	Cost	\$ 694,362	\$ 807,600	\$ 783,900	

- a) Decrease is due to the reallocation of salaries to more accurately reflect current activities (\$101,400).
- b) Increase is due to the addition of a Head Assistant Attorney position (\$170,800) and the reallocation of salaries to more accurately reflect current activities (\$84,100).
- c) Increase is due to the optimization of outside professional services of special counsel for environmental matters (\$365,300), offset by the reduction of court exhibits copying costs (\$15,000).
- d) Decrease is due to the reduction of outside professional services of legal counsel for employment matters (\$165,300) and the reduction of court reporting services (\$10,000).

**30000 LAW**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7360	Real Estate Operations					
	Provide Administration of All District Land:					
7361	Real Estate Leases - Administration of Leases and Granting of Leases	Leases	166	176	176	
		Cost	\$ 114,197	\$ 148,700	\$ 133,500	
		Cost/Lease	\$ 687.93	\$ 844.89	\$ 758.52	
7362	Real Estate Easements - Administration of Easements and Granting of New Easements	Easements	369	369	371	
		Cost	\$ 130,213	\$ 152,400	\$ 132,300	
		Cost/Easement	\$ 352.88	\$ 413.01	\$ 356.60	
7363	Real Estate Permits - Administration of Permits and Granting of New Permits	Permits	78	80	80	
		Cost	\$ 124,443	\$ 150,200	\$ 125,000	e)
		Cost/Permit	\$ 1,595.42	\$ 1,877.50	\$ 1,562.50	
7367	Real Estate Asset Management - Administer Plan to Increase Revenue by Lease/Sale of Real Estate Holdings	Cost	\$ 402,789	\$ 437,900	\$ 445,800	
7368	Real Estate Environmental Assessment - Administer Activities Related to Environmental Assessment and Remediation of Real Estate Holdings	Cost	\$ 200,120	\$ 346,900	\$ 418,000	f)
7369	Other Real Estate Operations, Including Development of Agenda, Providing Information, Tax Litigation, and Support Services to the Board of Commissioners	Cost	\$ 481,281	\$ 592,100	\$ 664,500	
	Payment of Real Estate Taxes	Cost	\$ 742,686	\$ 820,000	\$ 890,000	
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 65,200	\$ 66,400	
		Total	\$ 6,018,235	\$ 7,972,600	\$ 8,375,300	

e) Decrease is due to the reallocation of salaries to more accurately reflect current activities.

f) Increase is due to the reallocation of salaries to more accurately reflect current activities.

101 30000	Fund: Corporate Department: Law Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 4,455,446	\$ 5,025,500	\$ 5,025,500	\$ 3,381,993	\$ 4,650,000	\$ 5,124,600	\$ -
601060	Compensation Plan Adjustments	12,175	47,500	47,500	14,848	40,000	101,900	-
601070	Social Security and Medicare Contributions	-	65,200	65,200	47,760	61,000	66,400	-
601100	Tuition and Training Payments	12,218	14,000	14,000	7,264	13,000	14,000	-
601170	Payments for Professional Services	687,892	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	5,167,731	5,152,200	5,152,200	3,451,865	4,764,000	5,306,900	-
612010	Travel	3,510	6,000	6,000	1,404	5,000	6,000	-
612030	Meals and Lodging	3,197	7,500	7,500	621	6,500	7,500	-
612040	Postage, Freight, and Delivery Charges	1,272	1,000	1,000	955	1,000	1,000	-
612050	Compensation for Personally-Owned Automobiles	1,191	1,200	1,200	313	1,100	1,200	-
612090	Reprographic Services	1,102	40,000	40,000	34,546	25,000	25,000	-
612250	Court Reporting Services	3,508	40,000	40,000	39,000	25,000	30,000	-
612430	Payments for Professional Services	-	1,800,000	1,800,000	1,682,796	1,025,000	2,000,000	-
612490	Contractual Services, N.O.C.	79,467	80,000	80,000	74,340	79,000	90,000	-
200	TOTAL CONTRACTUAL SERVICES	93,247	1,975,700	1,975,700	1,833,975	1,167,600	2,160,700	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	4,786	7,000	7,000	6,513	5,500	5,000	-
623720	Books, Maps, and Charts	9,219	17,000	17,000	17,000	13,700	12,000	-
623990	Materials and Supplies, N.O.C.	566	700	700	661	700	700	-
300	TOTAL MATERIALS AND SUPPLIES	14,571	24,700	24,700	24,174	19,900	17,700	-
667130	Taxes on Real Estate	742,686	820,000	820,000	789,941	800,000	890,000	-
700	TOTAL FIXED AND OTHER CHARGES	742,686	820,000	820,000	789,941	800,000	890,000	-
<b>TOTAL LAW</b>		<b>\$ 6,018,235</b>	<b>\$ 7,972,600</b>	<b>\$ 7,972,600</b>	<b>\$ 6,099,955</b>	<b>\$ 6,751,500</b>	<b>\$ 8,375,300</b>	<b>\$ -</b>

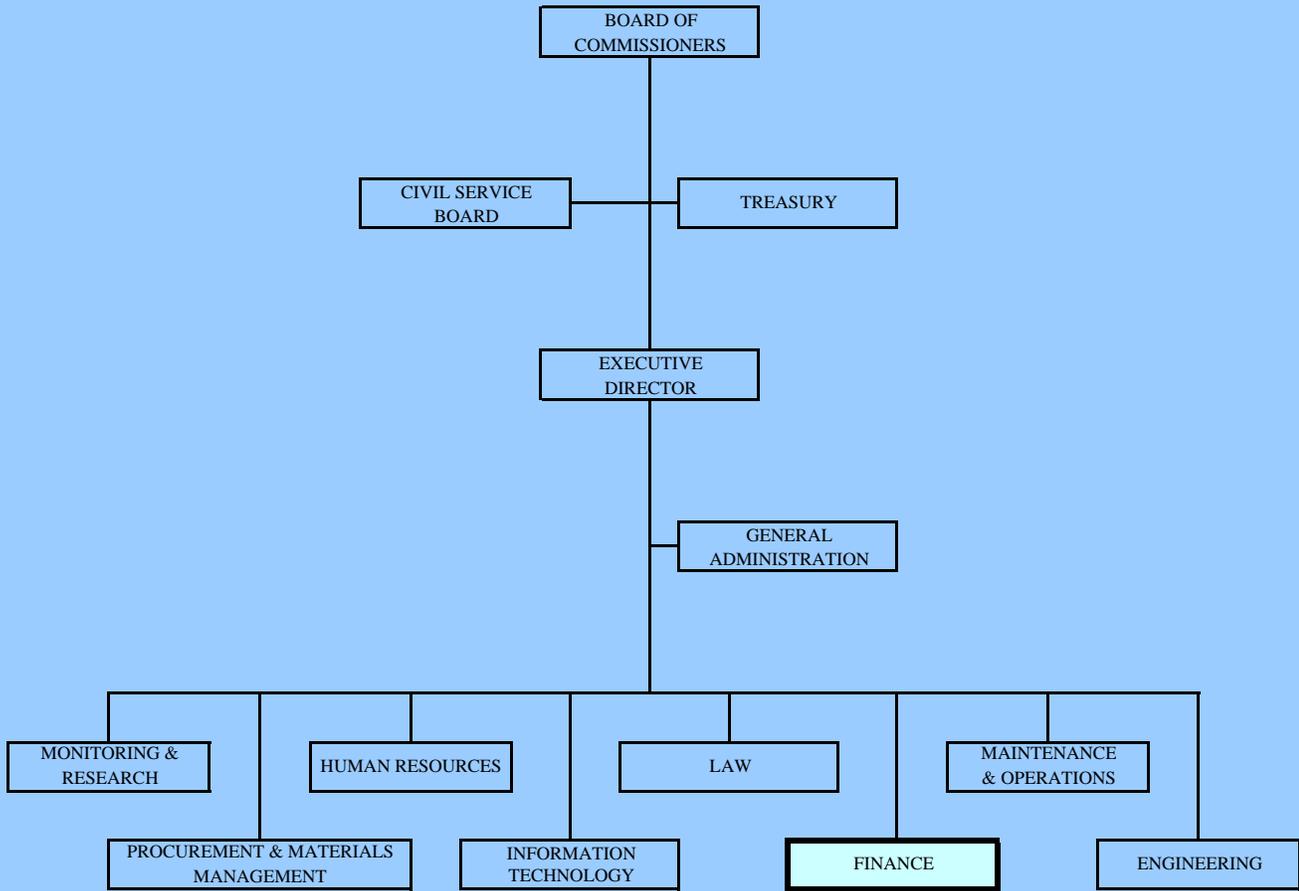
NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).

Fund: Corporate Dept: Law Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>310</b>	<b>Executive Division</b>					
<b>311</b>	<b>Executive Office</b>					
EX12	General Counsel	1	1		1	
HP23	Deputy General Counsel	-	1		1	
HP22	Head Assistant Attorney	-	-		1	
EX06	Secretary to Officer	1	1		1	
HP13	Senior Administrative Specialist	1	1		1	
TOTAL	Executive Office	3	4	629,474.56	5	804,715.60
TOTAL	Executive Division	3	4	629,474.56	5	804,715.60
<b>320</b>	<b>Real Estate / General Administration Division</b>					
<b>321</b>	<b>Administrative Section</b>					
HP22	Head Assistant Attorney	1	1		1	
TOTAL	Administrative Section	1	1	216,990.80	1	216,990.80
<b>323</b>	<b>Real Estate / General Administration Section</b>					
HP18	Senior Attorney	1	1		1	
HP15	Senior Legal Assistant	2	2		2	
HP13	Legal Assistant	1	2		1	
HP13	Investigator #2 (Legal Assistant)	1	1		1	
HP11	Administrative Specialist	2	1		1	
TOTAL	Real Estate / General Administration Section	7	7	641,637.10	6	570,174.28
<b>324</b>	<b>Real Estate / Asset Management Section</b>					
HP20	Principal Attorney	1	1		1	
HP18	Senior Attorney	1	1		1	
HP13	Legal Assistant	-	1		1	
HP13	Senior Administrative Specialist	1	1		1	
TOTAL	Real Estate / Asset Management Section	3	4	475,192.90	4	484,066.96
TOTAL	Real Estate / General Administration Division	11	12	1,333,820.80	11	1,271,232.04

Fund: Corporate Dept: Law Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>340</b>	<b>Contract &amp; Finance Division</b>					
<b>341</b>	<b>Administrative Section</b>					
HP22	Head Assistant Attorney	1	1		1	
TOTAL	Administrative Section	1	1	226,228.86	1	226,228.86
<b>342</b>	<b>Contract &amp; Finance Section</b>					
HP20	Principal Attorney	1	1		1	
HP18	Senior Attorney	2	2		2	
HP17	Management Analyst III #2 (Senior Budget & Management Analyst) (New Grade HP16)	1	1		1	
HP15	Senior Legal Assistant	1	1		1	
HP14	Public Affairs Specialist	-	1		1	
HP13	Assistant Public Affairs Specialist #2 (Senior Administrative Specialist)	1	-		-	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	1		-	
HP11	Administrative Specialist	-	-		1	
TOTAL	Contract & Finance Section	7	7	869,644.36	7	849,529.72
TOTAL	Contract & Finance Division	8	8	1,095,873.22	8	1,075,758.58
<b>360</b>	<b>Environmental, Construction, &amp; Tort Division</b>					
<b>361</b>	<b>Administrative Section</b>					
HP22	Head Assistant Attorney	1	1		1	
TOTAL	Administrative Section	1	1	226,228.86	1	226,228.86
<b>362</b>	<b>Environmental Section</b>					
HP20	Principal Attorney	1	1		1	
HP18	Senior Attorney	2	2		2	
HP13	Legal Assistant	2	1		1	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	1		1	
TOTAL	Environmental Section	6	5	585,755.04	5	599,708.98

Fund: Corporate Dept: Law Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>332</b>	<b>Construction &amp; Tort Section</b>					
HP20	Principal Attorney	2	2		2	
TOTAL	Construction & Tort Section	2	2	357,269.38	2	365,387.62
TOTAL	Environmental, Construction, & Tort Division	9	8	1,169,253.28	8	1,191,325.46
<b>370</b>	<b>Employment Division (formerly Employment &amp; Claims Division)</b>					
<b>371</b>	<b>Administrative Section</b>					
HP22	Head Assistant Attorney	1	1		1	
TOTAL	Administrative Section	1	1	226,228.86	1	226,228.86
<b>372</b>	<b>Employment Section</b>					
HP20	Principal Attorney	1	1		1	
HP18	Senior Attorney	2	2		2	
HP13	Legal Assistant	1	1		1	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	1		-	
HP11	Administrative Specialist	-	-		1	
TOTAL	Employment Section	5	5	596,157.64	5	580,981.44
TOTAL	Employment Division (formerly Employment & Claims Division)	6	6	822,386.50	6	807,210.30
TOTAL	Law	37	38	5,050,808.36	38	5,150,241.98

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.



**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

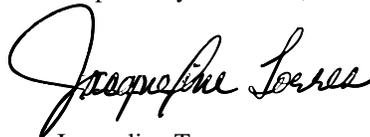
Subject: 2017 Program for the Finance Department

The Finance Department's program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department's 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Finance Department budget for 2017.

Respectfully submitted,

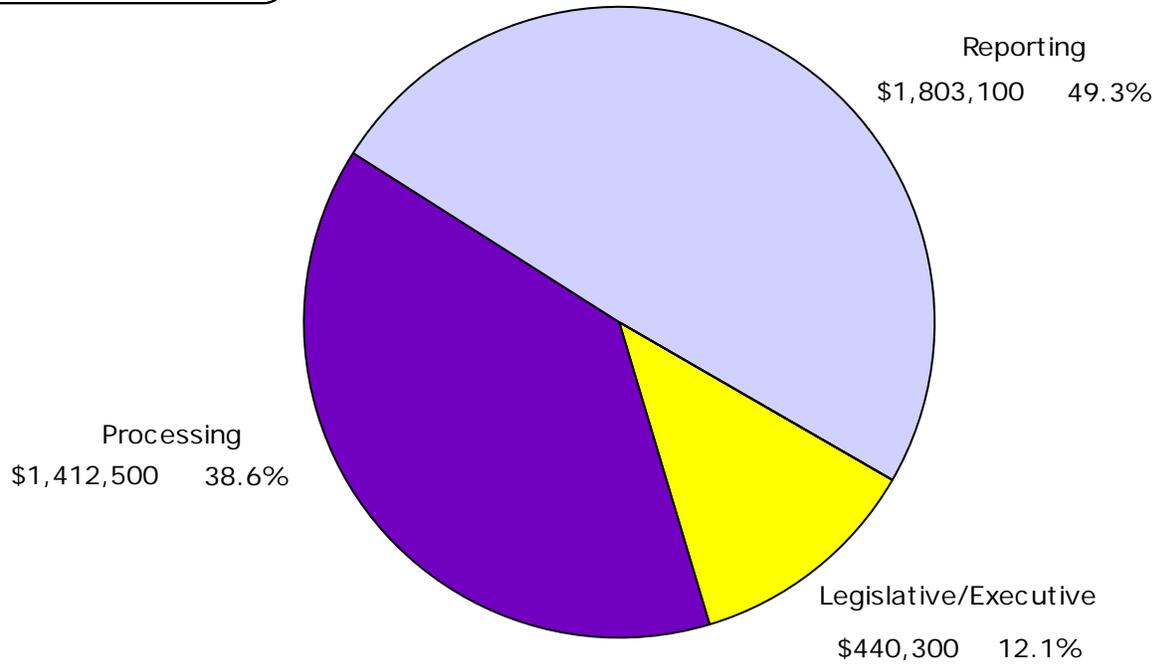


Jacqueline Torres  
Clerk/Director of Finance

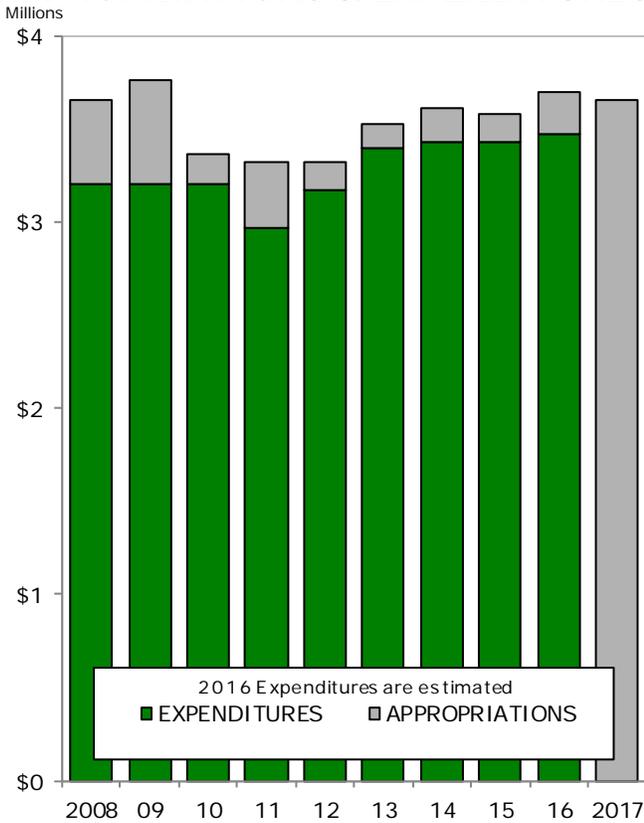
# FINANCE

## FUNCTIONS

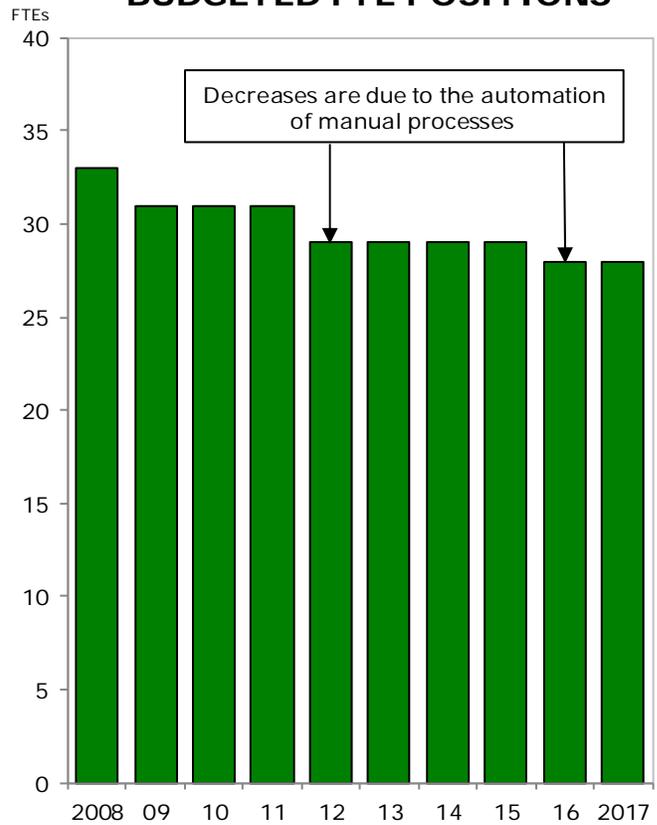
2017	\$3,655,900
2016	\$3,696,300
Decrease	(\$40,400)



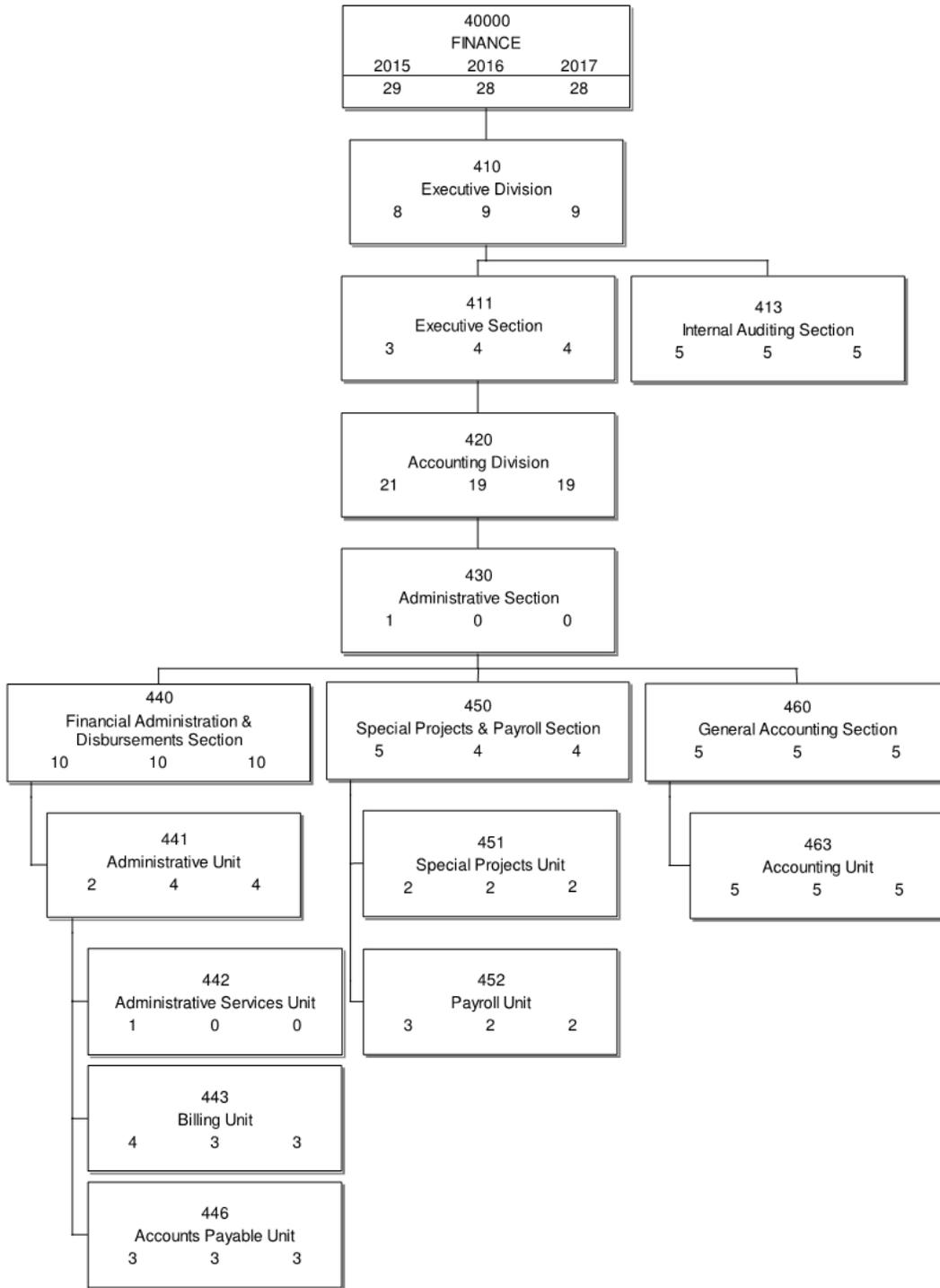
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# FINANCE



## FINANCE

**The mission of the Finance Department is to provide leadership in developing cost saving strategies for transaction processing, optimize operations, provide reliable financial reports, and ensure compliance with all applicable statutes, regulations, professional standards, and policies for the benefit of District stakeholders.**

### Departmental Summary

The Finance Department's primary responsibilities include:

- Audit and report the District's financial information;
- Perform audits of operational performance, compliance, and internal controls;
- Process the District's financial transactions including vendor payments, payroll, billing, and collection activities;
- Create the Board of Commissioners' agendas and minutes and maintain official records of the Board's legislative actions.

Central to the Finance Department's activities is the financial reporting function which enables diverse users to readily assess the District's financial position and the results of its operations. Excellent bond ratings, external auditors' unmodified opinions, and Certificates of Achievement for Excellence in Financial Reporting demonstrate the effectiveness of District fiscal management and financial reporting excellence.

### Summary of 2016 Accomplishments

- The District was presented with the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 2015 Comprehensive Annual Financial Report for the 41st consecutive year;
- The District received an unmodified opinion on the fair presentation, in all material aspects, of the District's 2015 financial statements from external auditors. This achievement aids in maintaining the District's excellent bond credit rating;
- Implemented Government Accounting Standards Board pronouncement 68, which improved the District's reporting of the pension liability;
- Completed nine planned internal audit projects and four unplanned audits. Internal audits included reviews of the iBid sale process, use of clock override in Workforce, the procurement Q&A process, P-Card purchases, permit fees, payroll procedures, whistleblower hotline procedures, and Comprehensive Annual Financial Report internal controls. The audits provided assurance of continued compliance, operating efficiencies, and cost-saving solutions;
- Upgraded the automated time management system to the newest cloud version, which provides the ability to apply system updates directly as well as easier end-user navigation;
- Upgraded the Readsoft system for processing vendor invoices, which enables supplier-level straight-through processing, greater control over business rules, user-friendly screens, and improved approval workflow notices;
- Assisted the Law Department in the implementation of the new real estate system;
- Continued to improve reporting and financial analysis by implementing analytical tools that track the Finance Department's key performance metrics;
- Continued to administer the District's whistleblower hotline service that is used to improve accountability and transparency for District management, officials, staff, and taxpayers;
- The Finance Department created a series of training seminars to develop employees on various transaction processes and report development. The training seminars help to cross-train and provide employees with broader perspectives.

### Budget Highlights

The 2017 appropriation for the Finance Department is \$3,655,900, a decrease of \$40,400, or 1.1 percent, from 2016. Staffing requirements will remain at 28 positions.

Significant features of the 2017 Budget are:

- Continue working towards implementation of the SAP accounts receivable module and provide the Treasury Section with a platform for billing, collection, and reporting for the Local Government Loan Program;
- Assist the Monitoring & Research Department to improve efficiency by enhancing the iPACS system with the addition of the eSurcharge module;
- Pursue safeguarding of the District's legislative permanent records and continue a project to convert approximately 100,000 records to electronic images.

**2017 Initiatives in Support of the Strategic Business Plan Include the Following:****• Add Value**

The Finance Department will focus on adding value at every level within the department to improve its interactions with customers and establish interdepartmental service-level agreements. The department plans to develop dashboard reports to provide key statistical data on transaction processing, monitor performance measures, ensure compliance with the Prompt Payment Act for District vendor payments, and ensure timely payment of payroll and other employee expenses.

**• Excellence**

The Finance Department will continue to focus on excellence in delivering services and achieving compliance. The department will continue to obtain an unmodified audit opinion on the District's financial statements, earn the Certificate of Excellence in Financial Reporting from the GFOA, and ensure that all applicable Governmental Accounting Standards Board pronouncements are implemented.

**• Develop Employees**

Employee recognition for excellence will be an ongoing focus for the Finance Department. The department will continue to develop a workforce that is competent, motivated, and adaptive to change. The Finance Department will continue its newly-developed seminar series for cross-training all levels of employees. Institutional knowledge is retained and improved through ongoing training, the utilization of eLearning, the encouragement of tuition reimbursement programs, and the expansion of webinar opportunities.

**• Leading Partnerships**

The Finance Department stays current with government accounting and financial reporting standards by actively participating in GFOA conferences and training, as well as various employees' memberships in the Institute of Internal Auditors and the Certified Public Accountants Society. The department remains current with enterprise and other financial systems by attending SAP conferences and other related webinars. It is equally important for the Finance Department to work closely with the operating departments to understand the changes in processes to meet the reporting needs of operations. Employees are encouraged to attend the Water Environment Federation Technical Exhibition and Conference and partner with operating departments to support the District's mission.

**• Technology**

The Finance Department will continue to embrace technology to reduce transaction processing costs and optimize operations. Plans are underway for the following initiatives:

- Develop quarterly performance measures and dashboard reports;
- Implement the SAP accounts receivable module;
- Enhance the iPACS eSurcharge module to allow users to make payments, file RD-925 forms, and file permit applications online;
- Improve reporting through utilization of the Excel add-on tool for simplification of analyzing and reporting system data.

**40000 FINANCE**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. Provide for the processing of all District expenditures, which consist of vendor payments, employee wages, expenses, and fringe benefits. Vendor payments are made in compliance with the Prompt Payment Act. Provide for the accounting, billing and collection of all revenue such as user charge, State Revolving Fund, real estate, and other miscellaneous billings.	\$ 1,412,500	38.6%
2. Provide for the external audit, general accounting, and reporting of financial information (financial statement preparation, fixed assets, cost accounting analysis, general ledger maintenance and bank account reconciliation). Provide for the independent appraisal and analysis of departmental internal activities approved for internal audit by the Audit Committee.	\$ 1,803,100	49.3%
3. Provide for the preparation of Board meeting agendas and minutes reports and for the documentation, retention, and retrieval of all official records of the Board of Commissioners.	\$ 440,300	12.1%
<b>Total</b>	<b>\$ 3,655,900</b>	<b>100.0%</b>

MEASURABLE GOALS:	2015 Actual	2016 Estimated	2017 Proposed
1. Maintain 100 percent compliance with the Prompt Payment Act.	100%	100%	100%
2. Maintain a 95 percent or better collection rate for user charge and other fees.	95%	95%	95%
3. Complete 95 percent of audits proposed by Audit Committee.	98%	95%	95%
4. Maintain unmodified opinion on Financial and Single Audit statements and submit all required filings by June 30.	100%	100%	100%

**40000 FINANCE**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted		Change		
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent	
7391	Accounts Payable	\$ 291,172	2017 -	\$ -	\$ (369,700)	(100.0)	a)
			2016 4	\$ 369,700			
7392	Payroll and Employee Expense	\$ 471,571	2017 -	\$ -	\$ (418,800)	(100.0)	b)
			2016 4	\$ 418,800			
7393	Billing and Collections	\$ 304,648	2017 -	\$ -	\$ (380,400)	(100.0)	c)
			2016 4	\$ 380,400			
7394	Transaction Processing	\$ -	2017 14	\$ 1,412,500	\$ 1,412,500	100.0	d)
			2016 -	\$ -			
7399	Accounting and Financial Reporting	\$ 1,030,120	2017 -	\$ -	\$ (1,065,900)	(100.0)	e)
			2016 6	\$ 1,065,900			
7405	Financial System Development	\$ 265,428	2017 -	\$ -	\$ (310,200)	(100.0)	f)
			2016 2	\$ 310,200			
7395	Internal Auditing	\$ 608,771	2017 -	\$ -	\$ (615,300)	(100.0)	g)
			2016 5	\$ 615,300			
7396	Reporting	\$ -	2017 11	\$ 1,752,500	\$ 1,752,500	100.0	h)
			2016 -	\$ -			
7398	Legislative/Executive	\$ 454,413	2017 3	\$ 440,300	\$ (51,300)	(10.4)	
			2016 3	\$ 491,600			
7604	Social Security and Medicare Contributions	\$ -	2017 -	\$ 50,600	\$ 6,200	14.0	
			2016 -	\$ 44,400			
Totals		\$ 3,426,123	2017 28	\$ 3,655,900	\$ (40,400)	(1.1%)	
			2016 28	\$ 3,696,300			

- a) Decrease is due to the transfer of Program Number 7391, Invoices Audited and Processed for Payment, to Program Number 7394, Transaction Processing.
- b) Decrease is due to the transfer of Program Number 7392, Payroll and Expense Accounting, Auditing, and Check Processing Operations, to Program Number 7394, Transaction Processing.
- c) Decrease is due to the transfer of Program Number 7393, Billing and Collections, to Program Number 7394, Transaction Processing.
- d) Increase is due to the transfer of Program Numbers 7391, 7392, and 7393 to the new consolidated Program Number 7394, Transaction Processing.
- e) Decrease is due to the transfer of Program Number 7399, Accounting and Financial Reporting, to Program Number 7396, Reporting.
- f) Decrease is due to the transfer of Program Number 7405, Financial System Development, to Program Number 7396, Reporting.
- g) Decrease is due to the transfer of Program Number 7395, Internal Auditing, to Program Number 7396, Reporting.
- h) Increase is due to the transfer of Program Numbers 7395, 7399, and 7405 to the new consolidated Program Number 7396, Reporting.

**40000 FINANCE**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
7390	Accounting and Auditing					
7391	Invoices Audited and Processed for Payment	Invoices	19,540	24,100	-	a)
		Cost	\$ 291,172	\$ 369,700	\$ -	a)
		Cost/Invoice	\$ 14.90	\$ 15.34	\$ -	a)
7392	Payroll and Expense Accounting, Auditing, and Check Processing Operations	Checks	47,670	47,700	-	b)
		Cost	\$ 471,571	\$ 418,800	\$ -	b)
		Cost/Check	\$ 9.89	\$ 8.78	\$ -	b)
7393	Billing and Collections	Billings	5,600	5,880	-	c)
		Cost	\$ 304,648	\$ 380,400	\$ -	c)
		Cost/Billing	\$ 54.40	\$ 64.69	\$ -	c)
7394	Transaction Processing	Transactions	-	-	73,680	d)
		Cost	\$ -	\$ -	\$ 1,412,500	d)
		Cost/Transaction	\$ -	\$ -	\$ 19.17	d)
7399	Accounting and Financial Reporting	Cost	\$ 1,030,120	\$ 1,065,900	\$ -	e)
7405	Financial System Development	Cost	\$ 265,428	\$ 310,200	\$ -	f)
7395	Internal Auditing	Cost	\$ 608,771	\$ 615,300	\$ -	g)
7396	Reporting	Cost	\$ -	\$ -	\$ 1,752,500	h)
7398	Legislative/Executive	Cost	\$ 454,413	\$ 491,600	\$ 440,300	
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 44,400	\$ 50,600	
		Total	\$ 3,426,123	\$ 3,696,300	\$ 3,655,900	

- a) Decrease is due to the transfer of Program Number 7391, Invoices Audited and Processed for Payment, to Program Number 7394, Transaction Processing.
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- h) Increase is due to the transfer of Program Numbers 7395, 7399, and 7405 to the new consolidated Program Number 7396, Reporting.

101 40000	Fund: Corporate Department: Finance Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 3,008,434	\$ 3,146,400	\$ 3,124,900	\$ 2,194,669	\$ 2,985,500	\$ 3,109,600	\$ -
601060	Compensation Plan Adjustments	20,530	61,400	82,900	77,223	82,000	57,000	-
601070	Social Security and Medicare Contributions	-	44,400	44,400	32,219	40,000	50,600	-
601100	Tuition and Training Payments	27,724	22,700	22,700	18,343	20,000	26,000	-
601170	Payments for Professional Services	289,298	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	3,345,986	3,274,900	3,274,900	2,322,454	3,127,500	3,243,200	-
612010	Travel	1,859	3,100	3,100	2,325	3,100	4,100	-
612030	Meals and Lodging	5,567	4,300	4,300	2,123	4,300	5,300	-
612040	Postage, Freight, and Delivery Charges	248	3,400	3,400	32	300	200	-
612050	Compensation for Personally-Owned Automobiles	612	600	600	36	200	600	-
612090	Reprographic Services	2,170	1,900	2,300	2,190	2,300	2,300	-
612250	Court Reporting Services	40,511	47,800	47,800	47,800	47,800	50,000	-
612430	Payments for Professional Services	-	321,400	321,400	287,665	271,000	324,100	-
612490	Contractual Services, N.O.C.	12,945	25,900	23,400	1,015	5,400	1,100	-
612800	Repairs to Office Furniture and Equipment	5,195	5,200	5,300	4,922	5,300	5,400	-
200	TOTAL CONTRACTUAL SERVICES	69,106	413,600	411,600	348,108	339,700	393,100	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	9,709	7,200	7,200	5,753	7,200	18,400	-
623720	Books, Maps, and Charts	1,232	600	600	96	600	1,000	-
623800	Computer Software	-	-	2,000	1,920	-	-	-
623990	Materials and Supplies, N.O.C.	90	-	-	-	-	200	-
300	TOTAL MATERIALS AND SUPPLIES	11,030	7,800	9,800	7,769	7,800	19,600	-
TOTAL FINANCE		\$ 3,426,123	\$ 3,696,300	\$ 3,696,300	\$ 2,678,331	\$ 3,475,000	\$ 3,655,900	\$ -

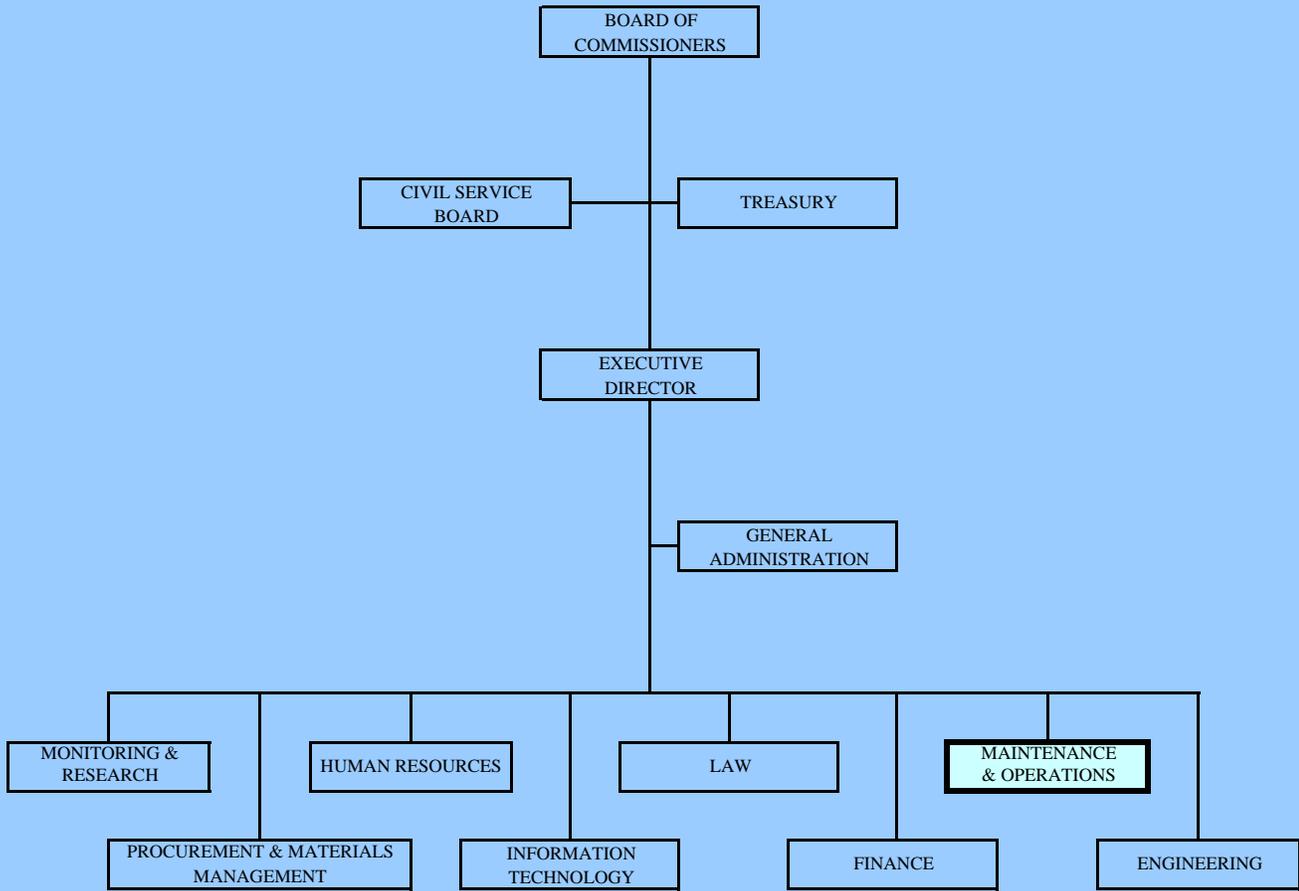
NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).

Fund: Corporate Dept: Finance Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>410</b>	<b>Executive Division</b>					
<b>411</b>	<b>Executive Section</b>					
EX13	Clerk/Director of Finance	1	1		1	
HP21	Comptroller #4	-	1		1	
EX06	Secretary to Officer	2	2		2	
TOTAL	Executive Section	3	4	634,648.30	4	639,084.16
<b>413</b>	<b>Internal Auditing Section</b>					
HP19	Accounting Manager	1	-		-	
HP19	Accounting Manager #2 (New Grade HP18)	-	1		1	
HP17	Supervising Accountant #2 (Financial Analyst) (New Grade HP16)	1	2		1	
HP16	Financial Analyst	2	1		2	
HP12	Accounting Associate	1	1		1	
TOTAL	Internal Auditing Section	5	5	598,904.28	5	575,367.26
TOTAL	Executive Division	8	9	1,233,552.58	9	1,214,451.42
<b>420</b>	<b>Accounting Division</b>					
<b>430</b>	<b>Administrative Section</b>					
HP21	Comptroller #4	1	-		-	
TOTAL	Administrative Section	1	-	-	-	-
<b>440</b>	<b>Financial Administration &amp; Disbursements Section</b>					
<b>441</b>	<b>Administrative Unit</b>					
HP19	Accounting Manager	1	-		-	
HP19	Accounting Manager #2 (New Grade HP18)	-	1		1	
HP17	Supervising Accountant #2 (Financial Analyst) (New Grade HP16)	1	2		2	
HP13	Senior Administrative Specialist	-	1		1	
TOTAL	Administrative Unit	2	4	482,509.82	4	494,264.94
<b>442</b>	<b>Administrative Services Unit</b>					
HP13	Senior Administrative Specialist	1	-		-	
TOTAL	Administrative Services Unit	1	-	-	-	-

Fund: Corporate Dept: Finance Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>443</b>	<b>Billing Unit</b>					
HP16	Financial Analyst	1	-		-	
HP13	Accounting Clerk III #2 (Accounting Associate) (New Grade HP12)	1	1		-	
HP12	Accounting Associate	2	2		3	
TOTAL	Billing Unit	4	3	237,557.32	3	207,333.10
<b>446</b>	<b>Accounts Payable Unit</b>					
HP13	Accounting Clerk III #2 (Accounting Associate) (New Grade HP12)	1	1		1	
HP12	Accounting Associate	2	2		2	
TOTAL	Accounts Payable Unit	3	3	212,779.58	3	221,037.70
TOTAL	Financial Administration & Disbursements Section	10	10	932,846.72	10	922,635.74
<b>450</b>	<b>Special Projects &amp; Payroll Section</b>					
<b>451</b>	<b>Special Projects Unit</b>					
HP19	Accounting Manager	1	-		-	
HP19	Accounting Manager #2 (New Grade HP18)	-	1		1	
HP17	Supervising Accountant #2 (Financial Analyst) (New Grade HP16)	1	-		-	
HP16	Financial Analyst	-	1		1	
TOTAL	Special Projects Unit	2	2	255,581.56	2	260,762.58
<b>452</b>	<b>Payroll Unit</b>					
HP16	Financial Analyst	1	1		1	
HP13	Accounting Clerk III #2 (Accounting Associate) (New Grade HP12)	1	-		-	
HP12	Accounting Associate	1	1		1	
TOTAL	Payroll Unit	3	2	180,011.00	2	183,831.70
TOTAL	Special Projects & Payroll Section	5	4	435,592.56	4	444,594.28
<b>460</b>	<b>General Accounting Section</b>					
<b>463</b>	<b>Accounting Unit</b>					
HP19	Accounting Manager	1	-		-	
HP19	Accounting Manager #2 (New Grade HP18)	-	1		1	

Fund: Corporate Dept: Finance Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP17	Supervising Accountant #2 (Financial Analyst) (New Grade HP16)	1	-		-	
HP16	Financial Analyst	1	2		2	
HP13	Accounting Clerk III #2 (Accounting Associate) (New Grade HP12)	2	2		1	
HP12	Accounting Associate	-	-		1	
TOTAL	Accounting Unit	5	5	560,323.66	5	543,539.88
TOTAL	General Accounting Section	5	5	560,323.66	5	543,539.88
TOTAL	Accounting Division	21	19	1,928,762.94	19	1,910,769.90
TOTAL	Finance	29	28	3,162,315.52	28	3,125,221.32

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.



**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

Subject: 2017 Program for the Maintenance & Operations Department

The Maintenance & Operations Department's program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department's 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Maintenance & Operations Department budget for 2017.

Respectfully submitted,

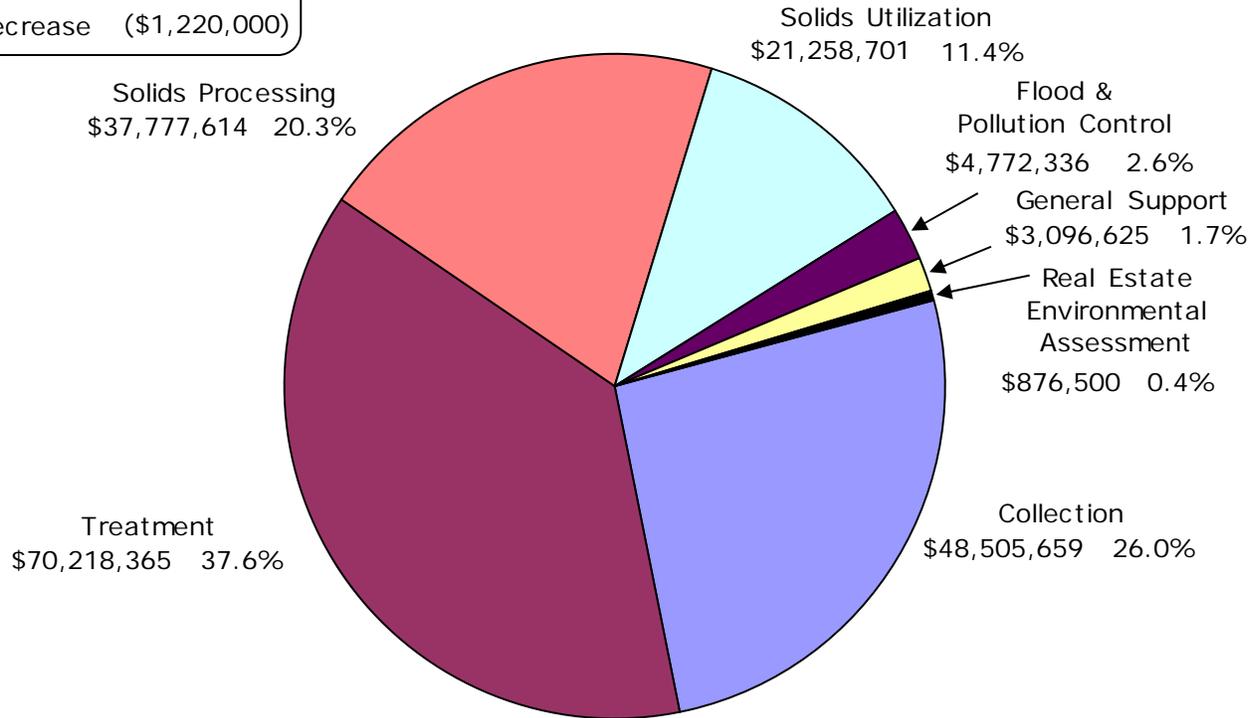


John P. Murray  
Acting Director of Maintenance & Operations

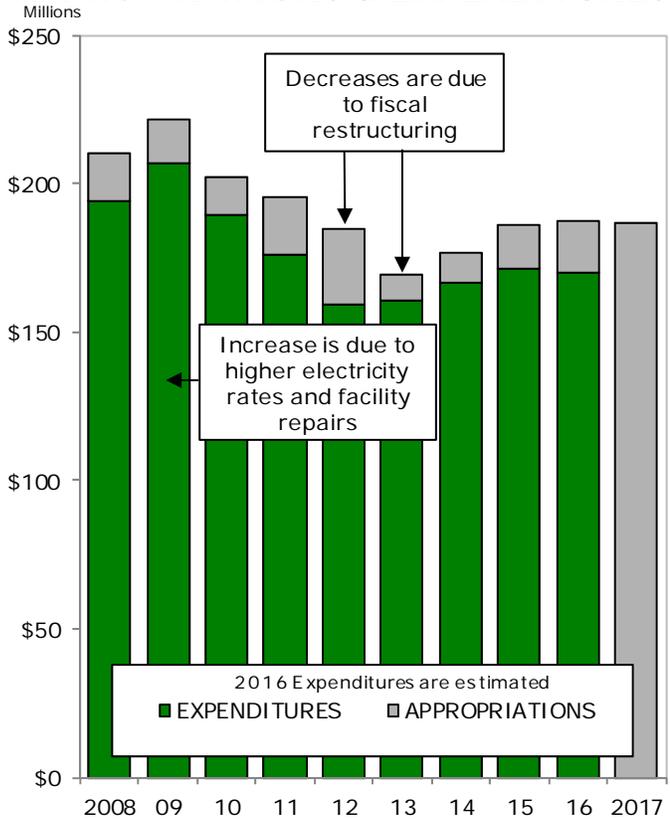
# MAINTENANCE & OPERATIONS – ALL DIVISIONS

2017	\$186,505,800
2016	\$187,725,800
Decrease	(\$1,220,000)

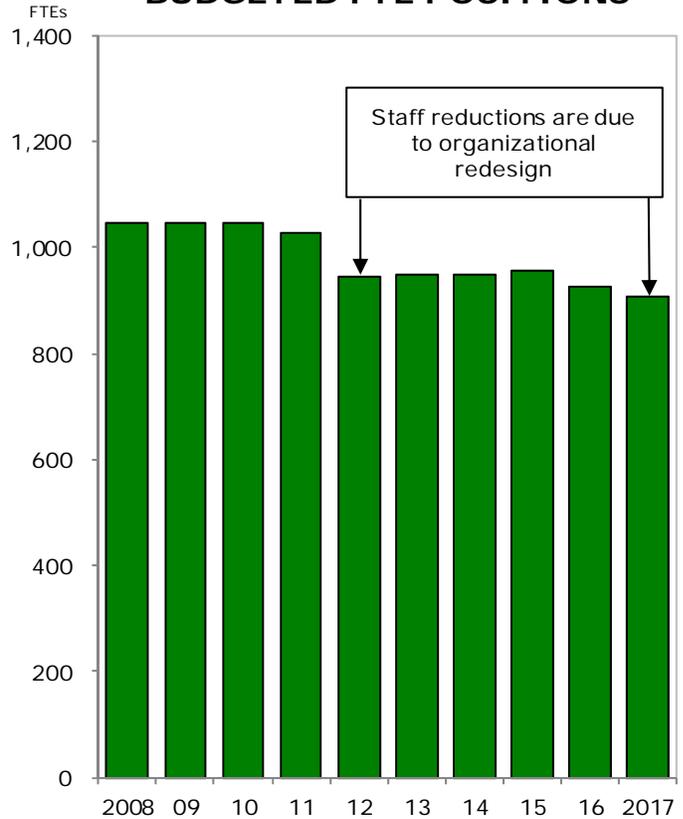
## FUNCTIONS



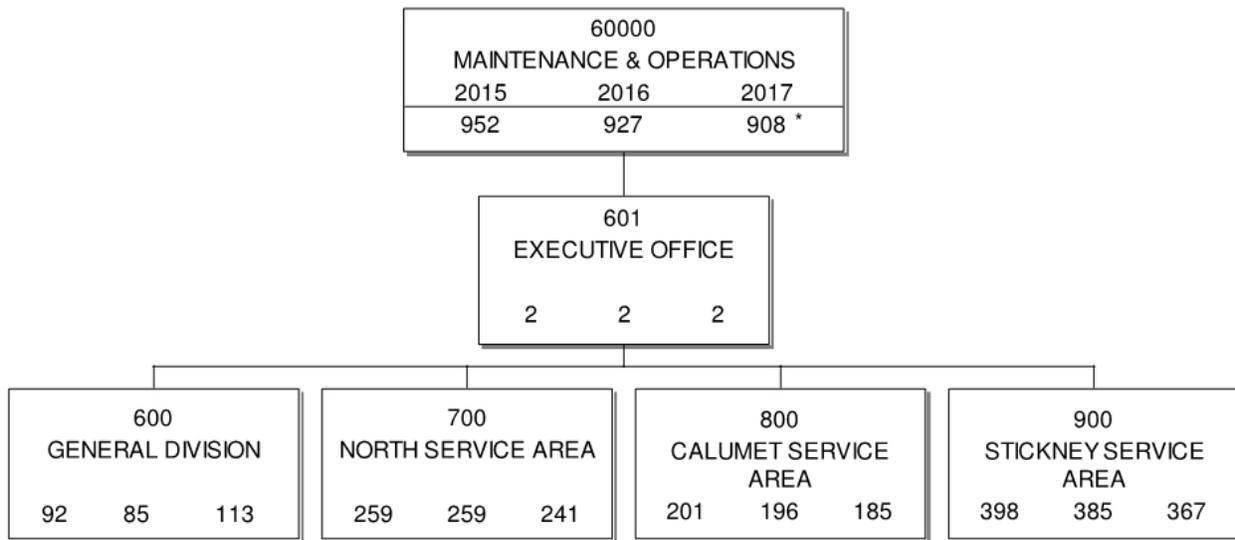
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# MAINTENANCE & OPERATIONS – ALL DIVISIONS



\* The 2017 position total for the Maintenance & Operations Department is 935. There are an additional 27 positions funded by the Stormwater Management Fund, while the operations remain in the Maintenance & Operations Department.

## MAINTENANCE & OPERATIONS

**The mission of the Maintenance & Operations Department (M&O) is to maintain and operate the District's facilities at an optimal level, to protect our environment by collecting and treating wastewater, minimizing flooding, maintaining our waterways free of pollution, producing and beneficially reusing high-quality biosolids, and providing environmental remediation for District-owned real estate in the most economical and environmentally sustainable manner.**

### Departmental Summary

M&O consists of four divisions that maintain and operate the collection systems and treatment plants within the District's 882.1 square mile service area. Additionally, M&O maintains and operates the Lockport Powerhouse, the waterways, the collection systems, and three biosolids handling facilities. The department's primary responsibilities include:

- Collecting and treating approximately 480.1 billion gallons of wastewater annually by operating seven wastewater treatment plants, a 554 mile network of intercepting sewers, 109.4 miles of the Tunnel and Reservoir Plan tunnels, and two ancillary reservoirs;
- Improving the quality of water in the area waterways by maintaining and operating five sidestream elevated pool aeration stations and two instream aeration stations;
- Providing flood relief to Cook County by maintaining 530 miles of small streams and 36 detention reservoirs of which 34 are dedicated solely to Stormwater retention;
- Processing high-quality biosolids for beneficial reuse, the byproduct of wastewater treatment, by operating three biosolids handling facilities.

### Summary of 2016 Accomplishments

- Achieved a 99.98 percent overall compliance rate with the requirements of the National Pollutant Discharge Elimination System permits in 2015, resulting in five Platinum and two Gold Awards from the National Association of Clean Water Agencies. M&O anticipates similar results in 2016;
- Completed the renewal applications for Illinois Environmental Protection Agency Operating Permits, including the Egan Backup Solids Drying Area, the Hanover Park Fischer Farm, and the General National Pollutant Discharge Elimination System Permit for Pesticide Application Point Source Discharges;
- Implemented the ultraviolet (UV) disinfection process at the O'Brien Water Reclamation Plant (WRP). UV disinfection is a physical process that neutralizes microorganisms as they pass by UV lamps in the effluent. It is safe, cost effective, and environmentally friendly;
- Launched the Ostara Nutrient Recovery Facility at the Stickney WRP. The facility, which was developed in partnership with Ostara Nutrient Recovery Technologies and Black & Veatch, is an example of how progressive technology can be adopted to transform a wastewater treatment facility into a resource recovery center. The system is designed to capture phosphorus for environmentally friendly reuse, improve the quality of watercourses, and provide an additional revenue stream for the District;
- Implemented an online system allowing the public to easily file incident reports, which are then assigned to operations staff for immediate investigation and action, thereby furthering a customer service-oriented business approach. With the system's mapping function, odor complaints can be tracked to identify and analyze hot spots and clusters. With such high-quality data, the odors can be mitigated and customer satisfaction improved. It is estimated that operations staff responded to approximately 90 odor complaints in 2016;
- In 2015, the District generated 41,595,703 kWh and received \$1,236,698 in revenue from ComEd. Projected generation for 2016 is 40.9 million kWh, with a projected value of approximately \$1.17 million, and for 2017 is 41.5 million kWh, with a projected value of approximately \$1.00 million.

### Budget Highlights

The 2017 M&O Corporate Fund appropriation of \$186,505,800 reflects a decrease of \$1,220,000, or 0.6 percent, from the 2016 appropriation. For 2017, a new Asset Management Section composed of electrical and mechanical engineers has been created in the General Division to centralize the department's maintenance function. The new section will allow for greater prioritization, coordination, and efficient allocation of work. In addition to the Corporate Fund, M&O will use the Construction Fund for capital projects, which will allow technical staff to focus on upgrading, rehabilitating, and rebuilding critical infrastructure.

The 2017 Corporate Fund staffing level is 908 positions, a net decrease of 19 positions from 2016. The staffing changes are part of an organizational plan to align human resources with goals and strategies, which includes dropping redundant positions as they become vacant and transferring positions based on operational priorities. An additional 27 positions are funded in the Stormwater Management Fund, unchanged from 2016. As a result of adding one position, transferring in one position, dropping 11 positions, and transferring out 10 positions, the total 2017 position count is 935, compared to the total 2016 position count of 954.

**2017 Initiatives in Support of the Strategic Business Plan Include the Following:**

**• Add Value**

The District has embarked on an ambitious campaign to “Restore the Canopy, Plant a Tree” of Chicagoland, which seeks to address Cook County’s declining tree population, decimated in recent years by the emerald ash borer infestation and extreme weather. In support of that goal, the District plans to begin construction in 2017 of an 8.2 acre tree nursery at the Hanover Park WRP. Once complete, the tree nursery will provide value by using the land to its full potential, educating the nursery industry and the community about the benefits of using biosolids-based compost, and serving as a worldwide example of the value and viability of biosolids.

M&O understands that value can be provided by creating a strong commercial market for biosolids and biosolids-based products. To accomplish that, M&O plans to create a sustainable market within the District’s service area to develop ongoing relationships with interested parties, such as landscapers and local communities, who understand the value of beneficially reusing biosolids, and expand the direct pickup program by 25 percent each year, from 2016 to 2018. The value and viability of the District’s biosolids program was recognized by the Illinois Environmental Protection Agency when, with accompanying legislation signed by the Governor on July 20, 2015, they rated the District’s biosolids product as a commercially viable fertilizer. With the legislation now enacted, Class A biosolids can be used as fertilizer on farms and vegetable gardens and can be sold to home owners as compost or fertilizer. As the program develops, so too will a reliable revenue source.

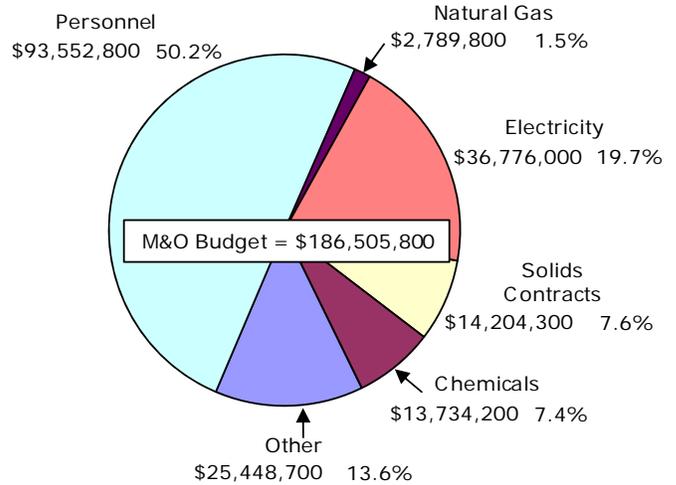
In 2015, the Board of Commissioners selected EnergyConnect, Inc., to provide a voluntary energy curtailment program for a three-year period. The District is expected to receive a \$1.5 million rebate for the 2016-2017 period. The program requests participants to reduce energy use voluntarily, when the region’s electricity grid is on the verge of a brownout or blackout due to high electricity usage.

**• Excellence**

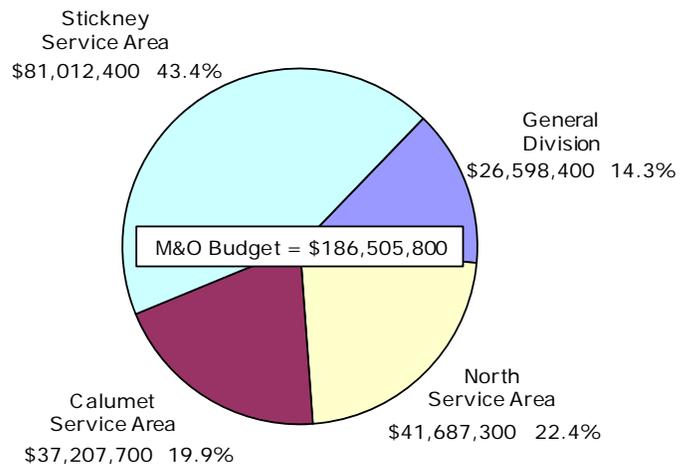
Achieving energy neutrality by 2023 remains an important goal, particularly as energy accounts for approximately 18 to 20 percent of the department’s total budget. However, going forward, disinfection and increasingly stringent effluent requirements will only serve to amplify energy consumption and costs. To counterbalance these forces, the department is aggressively pursuing energy efficiencies, especially in energy-intensive areas of the treatment process, such as aeration. To that end, the department continues to refine its air usage reduction program, which includes the installation of ammonia probes for aeration control at all of the large plants, the installation of better performing equipment, the creation of key performance indicators to monitor energy consumption, and the reduction of dissolved oxygen set points while still complying with permit requirements. For instance, when the dissolved oxygen content becomes too high or higher than necessary, costly energy is wasted and expensive aeration equipment sustains unnecessary wear. The goal is to reduce energy consumption by providing only the optimal amount of air to achieve the necessary performance. The Stickney WRP alone is estimating annual energy savings of approximately \$880,000 due to the newly installed Blower No. 2 motor, with an acquisition cost of \$3.2 million and a payback period of less than four years. For 2017, the electrical budget for blowers and air mains has been reduced by \$1,517,800, or 12.0 percent, department-wide.

M&O is also exploring ways to increase revenue from electrical production at the Lockport Powerhouse. One of the more promising options is to become a sub-member of the Pennsylvania-New Jersey-Maryland Interconnection, a regional electrical transmission organization, which will allow the District to buy and sell electricity, capacity, and Renewable Energy Credits on the wholesale market. A request for proposal for the procurement of such energy advisory services will be issued in 2017.

**2017 Appropriations by Major Line Item**



**2017 Appropriations by Service Area**



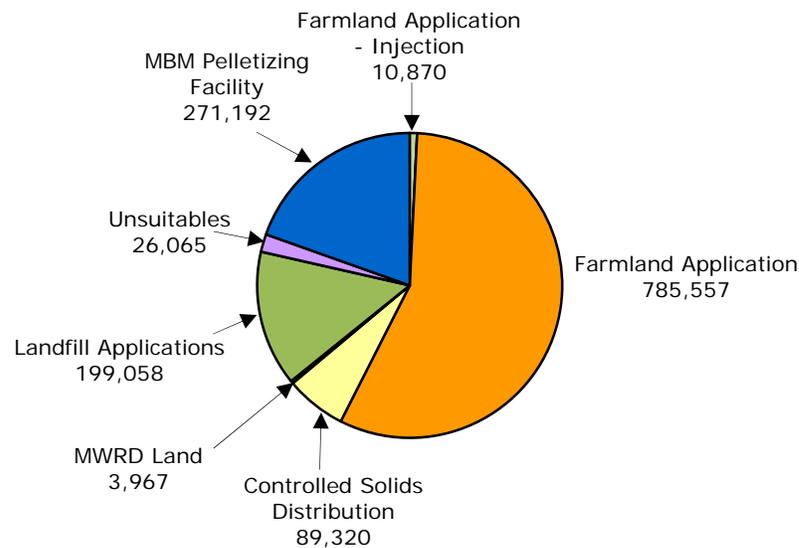
**• Resource Recovery**

M&O recognizes the tremendous resource potential residing in wastewater and biosolids. With several new projects, the District is working to extract that potential. At the Stickney WRP, for instance, Ostara technology is now in operation. This technology, called the Pearl® System, extracts phosphorus and ammonia from the waste stream by adding magnesium to cause a precipitation reaction. The result is fertilizer pellets rich in phosphorus, nitrogen, and magnesium. Regulations regarding the amount of phosphorus contained in treated effluent have become increasingly stringent. While too much phosphorus in water can cause algae to bloom, depleting the oxygen supply and killing other aquatic life, phosphorus is also essential to plant growth and is a key ingredient in agricultural fertilizer. This innovative technology addresses both the negative and positive aspects of phosphorus as it occurs in a wastewater treatment plant. It will allow the waste stream to be disposed of in an efficient way, while recovering phosphorus in a slow-release fertilizer for environmentally friendly reuse.

The nutrient recovery facility is an example of how progressive technology can be implemented to transform a wastewater treatment facility into a resource recovery center, providing significant environmental benefits to the Chicago Area Waterway System and downstream to the Mississippi River and the Gulf of Mexico. Moreover, it serves as an example of the District’s commitment to evaluating projects along multiple dimensions: financial, societal, and environmental. One of the financial benefits to be derived from the process is the revenue stream that will be generated from the sale of the fertilizer-rich crystalline pellets back to Ostara. Following the commercial start-up of the facility in 2016, the District plans to implement waste activated sludge stripping to remove internal phosphorus (WASSTRIP®) in late 2017. WASSTRIP® will accelerate the nutrient recovery process and increase the amount of phosphorus recovered (the phosphorus will be removed before it reaches the digesters). Initial estimates call for the production of seven tons of crystalline pellets per day through late 2017, at which time WASSTRIP® will be initiated with production expected to increase to 21 tons of pellets per day. In 2017, revenue is estimated at \$1 million. This is an example that proves wastewater is not waste.

Another initiative related to resource recovery is the planned operation of a gas turbine at the Stickney WRP (a two-year contract to rehabilitate the turbine was awarded in 2016). During the summer months, the turbine will operate using digester gas, a byproduct of the treatment process, to power equipment, such as pumps and aeration blowers. The digester gas will be consumed in the combustor of a three megawatt electric generator. The generated electricity will, in turn, be delivered back to the grid and distributed throughout the plant, thereby reducing total electrical demand. By April 2018, with the addition of the new primary tanks, there should be sufficient digester gas to operate the turbine regularly and realize annual savings in electrical costs of approximately \$1 million. With projects like this, M&O is linking plant functions, energy management, and resource recovery.

**Resource Recovery: Biosolids Reuse (in Dry Tons)  
2006 - 2015**



**Total: 1,386,029 Dry Tons**

- **Develop Employees**

Understanding that a skilled workforce creates a strong organization, M&O is committed to providing training opportunities to all of its employees. Illustrating that point, a Treatment Plant Operator I from the Kirie WRP traveled to Denmark in 2016 to visit the water treatment facility of Aarhus Vand, an independent regional waste and wastewater enterprise located in southern Denmark that is owned by the municipality of Aarhus. The Danish facility is in the process of expanding and renovating to become 150 percent energy self-sufficient. It is also implementing a deammonification process. Given that the District is implementing a similar process at the Egan WRP, plans to become energy neutral within the next decade, and is redefining itself as a resource recovery utility, the knowledge and experience gained by the employee is of great value.

A strong training program is also increasingly important as M&O continues to reduce its reliance on maintenance outsourcing, while retaining a consistent number of in-house skilled trades. In order to perform the maintenance function well, employees must be adequately trained. In 2017, staff will attend conferences and training sessions on a variety of topics, including electrical troubleshooting, generators and emergency power, pump repair, and programmable logic controllers.

- **Leading Partnerships**

The District is partnering with the City of Chicago in an innovative program that uses tree debris provided by the city as a bulking agent for composting biosolids. The program was formalized through an Intergovernmental Agreement that runs through 2017. Under the program, an estimated 50,000 tons of composted biosolids are expected to be produced in 2017. The composting process raises the temperature of the biosolids and wood chip mixture, which kills off pathogens to create a Class A product. Composting will reduce the footprint needed to process biosolids, create a value-added product with a variety of beneficial applications, and generate an additional revenue stream for the District.

- **Technology**

M&O will continue to pursue innovative, high-efficiency technologies to meet its regulatory and compliance needs and to optimize its treatment processes, particularly aeration. Aeration, the addition of oxygen to wastewater, is the biggest energy consumer in the treatment process. At the Egan WRP, the innovative ANITA™ Mox system, which treats effluents with a high ammonia concentration, became operational in 2016. The advantages of this system, as compared to conventional ammonia removal processes, are reduced oxygen and energy requirements and a smaller carbon footprint. Improvements such as this will help the department achieve new benchmarks in quality and performance.

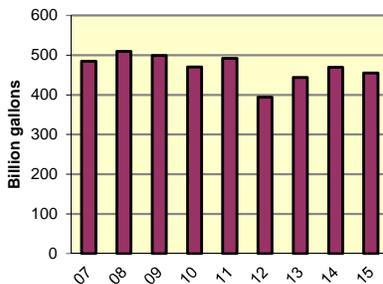
M&O is also using the Capital Improvements Bond Fund to implement several energy efficiency projects recommended to the District by the Public Building Commission of Chicago. The projects, valued at \$4.25 million, include modernizing interior lighting to light-emitting diode technology, controlling lights with occupancy sensors, upgrading HVAC controls, and installing custom blanket insulation on existing District steam piping and fittings. It is estimated that these energy conservation measures will result in annual utility savings of approximately \$273,000, along with a one-time rebate from the Department of Commerce and Economic Opportunity of approximately \$557,400.

**60000 M&O - ALL DIVISIONS**

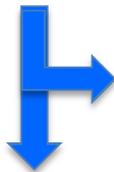
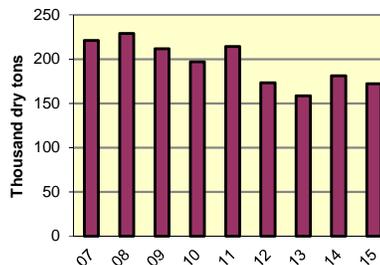
**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. <b>COLLECTION &amp; TREATMENT:</b> The M&O Department will collect and treat approximately 480.1 billion gallons of wastewater through its seven treatment facilities and through a contract agreement with the Fox River Water Reclamation District.	\$ 118,724,024	63.6%
2. <b>SOLIDS PROCESSING:</b> The M&O Department will remove and process approximately 183,500 dry tons of concentrated sewage through various systems, including heated digestion, centrifuging, concentration, and aging low solids sludge and centrifuge cake in lagoons.	\$ 37,777,614	20.3%
3. <b>SOLIDS UTILIZATION:</b> The M&O Department will utilize approximately 90,000 dry tons of biosolids for application at final utilization sites, such as farm applications and daily and final cover at sanitary landfills.	\$ 21,258,701	11.4%
4. <b>FLOOD &amp; POLLUTION CONTROL:</b> The M&O Department, in cooperation with local communities, will strive to minimize local area flooding and pollution of Lake Michigan through continuous control of the water levels in 76 miles of canals and 530 miles of small streams and through the operation of 34 detention reservoirs. It will also work to maintain the quality of the waterways system and associated District properties through the activities of the debris boats and the channel maintenance crews.	\$ 4,772,336	2.6%
5. <b>GENERAL SUPPORT:</b> The M&O Department provides technical and administrative support for other departments indirectly related to the operational activities of Collection & Treatment, Solids Processing, Flood & Pollution Control, and Solids Utilization.	\$ 3,096,625	1.7%
6. Inspect and evaluate District properties for compliance with the United States Environmental Protection Agency and the Illinois Environmental Protection Agency requirements.	\$ 876,500	0.4%
<b>Total</b>	<b>\$ 186,505,800</b>	<b>100.0%</b>

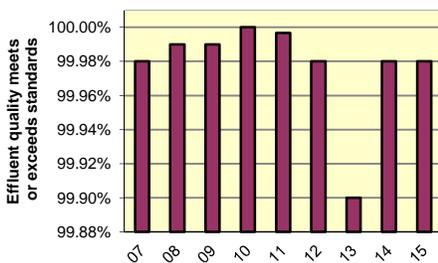
**Collection & Treatment**



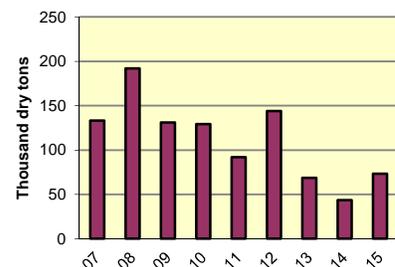
**Solids Processing**



**NPDES Permit Compliance**



**Solids Utilization**



**60000 M&O - ALL DIVISIONS**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted			Change	
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent	
1000	Collection	\$ 41,690,204	2017 235	\$ 48,505,659	\$ 695,108	1.5	
			2016 239	\$ 47,810,551			
1100	Surface Interceptor Systems	\$ 3,825,816	2017 29	\$ 3,914,200	\$ (226,800)	(5.5)	
			2016 30	\$ 4,141,000			
1200	Tunnel and Reservoir System	\$ 9,908,516	2017 38	\$ 10,896,500	\$ 574,300	5.6	
			2016 39	\$ 10,322,200			
1300	Pumping Station Facilities	\$ 11,170,395	2017 67	\$ 15,895,100	\$ 441,600	2.9	
			2016 68	\$ 15,453,500			
1900	Collection - Indirect Costs	\$ 16,785,477	2017 101	\$ 17,799,859	\$ (93,992)	(0.5)	
			2016 102	\$ 17,893,851			
2000	Treatment	\$ 65,905,646	2017 378	\$ 68,990,365	\$ (2,044,292)	(2.9)	
			2016 384	\$ 71,034,657			
2000	Pre-Treatment	\$ 3,739,449	2017 32	\$ 3,730,100	\$ (82,700)	(2.2)	
			2016 33	\$ 3,812,800			
2100	Primary Treatment	\$ 3,448,937	2017 39	\$ 3,462,900	\$ (43,900)	(1.3)	
			2016 39	\$ 3,506,800			
2200	Secondary Treatment	\$ 24,655,986	2017 96	\$ 20,972,200	\$ (1,049,900)	(4.8)	
			2016 96	\$ 22,022,100			
2300	Tertiary Treatment	\$ 1,473,640	2017 12	\$ 5,291,400	\$ (92,900)	(1.7)	
			2016 12	\$ 5,384,300			
2900	Treatment - Indirect Costs	\$ 32,587,634	2017 199	\$ 35,533,765	\$ (774,892)	(2.1)	
			2016 204	\$ 36,308,657			
3000	Solids Processing	\$ 34,214,689	2017 205	\$ 37,777,614	\$ 1,894,313	5.3	
			2016 210	\$ 35,883,301			
3100	Thickening	\$ 6,068,584	2017 41	\$ 6,438,300	\$ 313,200	5.1	
			2016 40	\$ 6,125,100			
3200	Stabilization	\$ 6,095,978	2017 43	\$ 6,082,700	\$ 143,900	2.4	
			2016 44	\$ 5,938,800			
3300	Dewatering	\$ 10,656,247	2017 39	\$ 12,556,500	\$ 1,472,200	13.3	
			2016 41	\$ 11,084,300			
3900	Solids Processing - Indirect Costs	\$ 11,393,880	2017 82	\$ 12,700,114	\$ (34,987)	(0.3)	
			2016 85	\$ 12,735,101			

Note: Explanations of significant changes are provided by individual division.

**60000 M&O - ALL DIVISIONS**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted			Change	
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent	
4000	Flood & Pollution Control	\$ 4,492,814	2017 23	\$ 4,772,336	\$ 27,987	0.6	
			2016 24	\$ 4,744,349			
4200	Waterways Control and Stormwater Reservoirs	\$ 2,517,688	2017 14	\$ 2,297,400	\$ 35,200	1.6	
			2016 15	\$ 2,262,200			
4210	Maintenance of Waterways	\$ -	2017 1	\$ 171,000	\$ (29,900)	(14.9)	
			2016 1	\$ 200,900			
4300	Stormwater Management	\$ 147,449	2017 2	\$ 167,900	\$ 6,300	3.9	
			2016 2	\$ 161,600			
4400	Aeration Facilities	\$ 1,107,229	2017 2	\$ 1,081,100	\$ (39,900)	(3.6)	
			2016 3	\$ 1,121,000			
4900	Flood & Pollution Control - Indirect Costs	\$ 720,448	2017 4	\$ 1,054,936	\$ 56,287	5.6	
			2016 3	\$ 998,649			
5000	Solids Utilization	\$ 21,037,721	2017 42	\$ 21,258,701	\$ (1,521,461)	(6.7)	
			2016 45	\$ 22,780,162			
5100	Solids Drying	\$ 6,161,512	2017 7	\$ 5,890,200	\$ 159,600	2.8	
			2016 8	\$ 5,730,600			
5200	Solids Distribution	\$ 9,945,522	2017 8	\$ 10,188,700	\$ (1,625,200)	(13.8)	
			2016 9	\$ 11,813,900			
5900	Solids Utilization - Indirect Costs	\$ 4,930,687	2017 27	\$ 5,179,801	\$ (55,861)	(1.1)	
			2016 28	\$ 5,235,662			
7000	General Support (excluding program numbers 7368 & 7604)	\$ 3,048,287	2017 22	\$ 3,096,625	\$ (37,155)	(1.2)	
			2016 22	\$ 3,133,780			
7368	Real Estate Environmental Assessment	\$ 750,140	2017 3	\$ 876,500	\$ (154,000)	(14.9)	
			2016 3	\$ 1,030,500			
7604	Social Security and Medicare Contribution	\$ -	2017 -	\$ 1,228,000	\$ (80,500)	(6.2)	
			2016 -	\$ 1,308,500			
	<b>Totals</b>	<b>\$ 171,139,501</b>	2017 908	\$ 186,505,800	\$ (1,220,000)	(0.6%)	*
			2016 927	\$ 187,725,800			

\* The 2017 position total for the M&O Department is 935, which includes 27 positions funded by the Stormwater Management Fund.

Note: Explanations of significant changes are provided by individual division.

**60000 M&O - ALL DIVISIONS**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated
1000-2900	Collection & Treatment				
	Collect and Treat Wastewater at Seven Treatment Facilities and Through a Contract Agreement with the Fox River Water Reclamation District	Mil. Gallons Cost Cost/Mil. Gallons	463,900 \$ 107,595,850 \$ 231.94	486,258 \$ 118,845,208 \$ 244.41	480,100 \$ 117,496,024 \$ 244.73
3000	Solids Processing				
	Remove and Process Solids from Concentrated Sewage Using Systems Including Heated Digestion, Centrifuging, Concentration, and Aging Low Solids Sludge and Centrifuge Cake in Lagoons	Dry Tons Cost Cost/Dry Ton	172,260 \$ 34,214,689 \$ 198.62	190,500 \$ 35,883,301 \$ 188.36	183,500 \$ 37,777,614 \$ 205.87
4000	Flood & Pollution Control				
	Operation and Maintenance of the Waterways to Minimize Area Flooding and Pollution				
4200	Minimize Area Flooding and Pollution of Lake Michigan Through the Continuous Control of Water Levels in Major Rivers and Canals	Cost	\$ 629,748	\$ 770,600	\$ 819,200
	Minimize Diversion of Lake Michigan Water in Accordance with the U.S. Supreme Court Decree	Mil. Gal./Year Diversion Cost Cost/Mil. Gal./Year	59,840 \$ 447,393 \$ 7.48	23,825 \$ 290,300 \$ 12.18	61,500 \$ 300,300 \$ 4.88
	Operation of Detention Reservoirs	Reservoirs Cost Cost/Reservoir	35 \$ 884,998 \$ 25,285.66	35 \$ 871,500 \$ 24,900.00	36 \$ 856,500 \$ 23,791.67
	Generate Electricity at Lockport Powerhouse to Obtain Approximately \$1.0 million in Revenue	kWh Cost Cost/kWh <i>* Revenue Generated</i>	41,595,703 \$ 555,549 \$ 0.0134 \$ 1,236,698	36,856,400 \$ 329,800 \$ 0.0089 \$ 1,191,700	41,500,000 \$ 321,400 \$ 0.0077 \$ 1,000,000
4210	Maintenance of the Waterways and Canal Banks Within the Jurisdiction of the District. Activities Include Debris Removal, Insect and Rodent Control, Bridge Repairs, and Aeration Costs	Cost	\$ -	\$ 200,900	\$ 171,000
4300	Stormwater Management	Cost	\$ 147,449	\$ 161,600	\$ 167,900
4400	Aeration Facilities	Cost	\$ 1,107,229	\$ 1,121,000	\$ 1,081,100
4900	Flood & Pollution Control - Indirect Costs	Cost	\$ 720,448	\$ 998,649	\$ 1,054,936
5000	Solids Drying/Utilization				
	Utilize Further Dewatered Sewage for Application at Final Utilization Sites Such as the Land Reclamation Fields in Fulton County, the Fischer Farm, Daily and Final Cover at Sanitary Landfills, and Other Farm Applications	Dry Tons Cost Cost/Dry Ton	73,257 \$ 16,716,963 \$ 228.20	90,100 \$ 17,145,262 \$ 190.29	90,000 \$ 17,369,301 \$ 192.99
5271	Pelletizer Disposal Control Management and Disposal of Solids by Private Contracts	Dry Tons Cost Cost/Dry Ton	36,672 \$ 4,320,758 \$ 117.82	45,000 \$ 5,634,900 \$ 125.22	40,000 \$ 3,889,400 \$ 97.24
7000	General Support (excluding program numbers 7368 & 7604) Technical and Administrative Support for Other Departments' Activities Indirectly Related to the Operational Activities of Collection & Treatment, Solids Processing, Flood & Pollution Control, and Solids Utilization	Cost	\$ 3,048,287	\$ 3,133,780	\$ 3,096,625
7368	Real Estate Environmental Assessment	Cost	\$ 750,140	\$ 1,030,500	\$ 876,500
7604	Social Security and Medicare Contribution	Cost	\$ -	\$ 1,308,500	\$ 1,228,000
	<b>Departmental Total</b>		<b>\$ 171,139,501</b>	<b>\$ 187,725,800</b>	<b>\$ 186,505,800</b>

Note: Explanations of significant changes are provided by individual division.

\* Revenue generated not included in total costs.

101 60000	Fund: Corporate Department: Maintenance & Operations Division: All Divisions	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 83,833,214	\$ 87,771,800	\$ 87,771,800	\$ 60,456,660	\$ 82,980,200	\$ 87,648,900	\$ -
601060	Compensation Plan Adjustments	4,641,953	4,310,300	4,310,300	3,523,941	4,226,600	4,641,100	-
601070	Social Security and Medicare Contributions	-	1,308,500	1,308,500	902,922	1,268,900	1,228,000	-
601080	Salaries of Nonbudgeted Employees	30,601	23,400	23,400	1,544	1,600	34,800	-
601100	Tuition and Training Payments	169,768	323,700	323,700	135,420	282,000	265,500	-
601170	Payments for Professional Services	506,118	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	89,181,654	93,737,700	93,737,700	65,020,487	88,759,300	93,818,300	-
612010	Travel	11,122	50,100	50,100	10,538	34,400	34,700	-
612030	Meals and Lodging	41,016	100,000	100,000	32,724	64,900	70,000	-
612050	Compensation for Personally-Owned Automobiles	173,217	187,000	187,000	118,096	162,600	150,000	-
612080	Motor Vehicle Operating Services	714	1,800	1,800	651	1,400	1,700	-
612150	Electrical Energy	34,856,050	36,238,400	36,238,400	22,508,175	35,487,300	36,776,000	-
612160	Natural Gas	1,962,108	2,825,200	2,825,200	1,441,578	2,812,900	2,789,800	-
612170	Water and Water Services	1,659,353	1,729,400	1,729,400	1,224,937	1,685,300	1,740,600	-
612210	Communication Services	409,219	647,500	818,500	818,431	708,600	604,700	-
612240	Testing and Inspection Services	182,692	181,400	181,400	126,188	141,000	170,200	-
612330	Rental Charges	152,495	196,800	196,800	159,661	182,800	170,600	-
612410	Governmental Service Charges	3,206,284	3,223,500	3,023,500	2,392,573	2,924,400	3,300,200	-
612420	Maintenance of Grounds and Pavements	1,540,133	1,049,900	1,049,900	884,846	851,000	923,300	-
612430	Payments for Professional Services	-	810,700	810,700	682,636	510,300	650,000	-
612490	Contractual Services, N.O.C.	542,876	601,000	601,000	554,330	537,000	311,400	-
612520	Waste Material Disposal Charges	10,355,660	10,659,800	10,659,800	10,498,154	9,421,800	11,000,000	-
612530	Farming Services	29,600	29,600	29,600	29,600	29,000	33,200	-
612590	Sludge Disposal	3,604,252	5,000,000	5,000,000	5,000,000	2,598,800	3,204,300	-
612600	Repairs to Collection Facilities	2,893,165	3,796,000	3,625,000	3,300,932	2,000,100	3,332,900	-
612620	Repairs to Waterway Facilities	14,986	88,600	88,600	45,703	41,000	50,000	-
612650	Repairs to Process Facilities	5,985,400	5,643,700	5,643,700	5,468,673	4,069,400	4,963,500	-
612670	Repairs to Railroads	263,900	478,700	478,700	476,333	345,000	302,600	-

101 60000	Fund: Corporate Department: Maintenance & Operations Division: All Divisions	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
612680	Repairs to Buildings	805,173	1,230,600	1,230,600	1,202,296	637,800	1,050,200	-
612760	Repairs to Material Handling and Farming Equipment	364,127	315,200	315,200	283,391	297,200	304,000	-
612780	Safety Repairs and Services	124,893	200,100	200,100	168,611	146,800	368,000	-
612790	Repairs to Marine Equipment	53,142	53,000	53,000	52,555	48,000	60,000	-
612820	Computer Software Maintenance	2,920	5,200	5,200	5,156	5,200	5,400	-
612840	Communications Equipment Maintenance (Includes Software)	-	15,000	15,000	9,900	-	-	-
612860	Repairs to Vehicle Equipment	85,342	109,500	109,500	108,445	93,900	100,000	-
612990	Repairs, N.O.C.	4,894	20,900	20,900	18,009	17,100	20,000	-
200	TOTAL CONTRACTUAL SERVICES	69,324,733	75,488,600	75,288,600	57,623,123	65,855,000	72,487,300	-
623030	Metals	39,076	40,000	40,000	35,044	28,600	35,000	-
623070	Electrical Parts and Supplies	1,250,248	1,423,200	1,580,200	1,523,232	1,420,200	1,800,000	-
623090	Plumbing Accessories and Supplies	592,994	732,400	700,000	621,864	673,200	652,000	-
623110	Hardware	21,545	25,000	22,700	12,832	20,700	20,000	-
623130	Buildings, Grounds, Paving Materials, and Supplies	135,646	191,500	191,500	190,316	178,300	190,000	-
623170	Fiber, Paper, and Insulation Materials	8,837	15,000	15,000	9,800	5,000	14,100	-
623190	Paints, Solvents, and Related Materials	4,826	10,000	10,000	7,598	5,900	7,000	-
623250	Vehicle Parts and Supplies	82,732	176,300	176,300	174,175	155,400	200,100	-
623270	Mechanical Repair Parts	2,107,261	2,137,700	1,938,600	1,719,933	1,350,800	2,288,000	-
623300	Manhole Materials	9,863	10,600	10,600	1,137	9,500	11,000	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	50,464	58,600	58,500	56,383	47,900	49,600	-
623530	Farming Supplies	4,949	5,000	5,000	3,711	4,700	5,000	-
623560	Processing Chemicals	7,472,970	12,448,900	12,438,400	12,396,816	10,586,400	13,734,200	-
623570	Laboratory Testing Supplies, Small Equipment, and Chemicals	16,487	22,600	32,600	32,004	31,800	25,000	-
623660	Cleaning Supplies	2,141	5,000	5,000	3,815	4,000	5,000	-
623680	Tools and Supplies	201,011	231,400	230,200	187,672	215,000	500,000	-
623700	Wearing Apparel	1,618	1,500	1,500	714	900	2,400	-

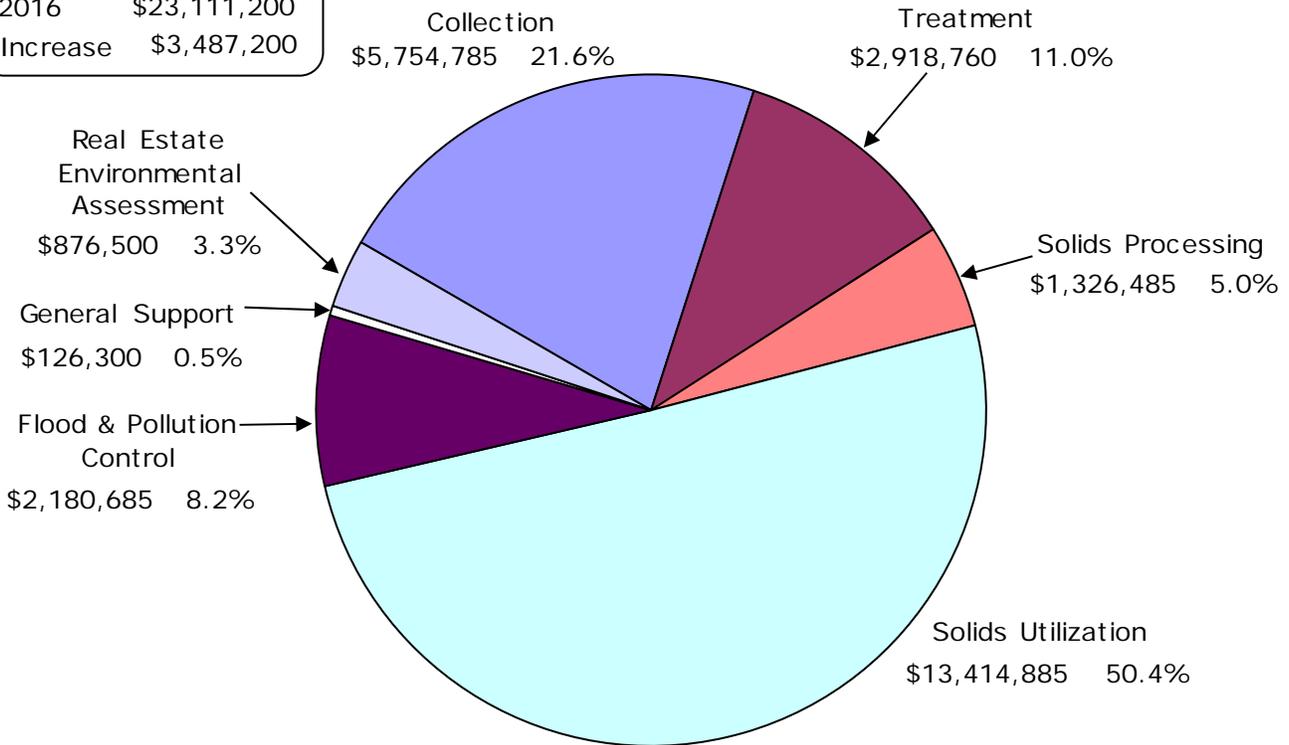
101 60000	Fund: Corporate Department: Maintenance & Operations Division: All Divisions	LINE ITEM ANALYSIS						
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
623720	Books, Maps, and Charts	-	200	200	-	-	-	-
623780	Safety and Medical Supplies	77,941	149,400	149,200	89,863	74,300	60,300	-
623800	Computer Software	5,634	6,000	6,000	110	2,000	7,500	-
623810	Computer Supplies	15,010	18,800	18,400	13,839	17,100	17,100	-
623820	Fuel	223,822	435,800	351,800	313,820	228,400	300,000	-
623840	Gases	3,504	8,000	8,000	6,900	7,100	5,000	-
623850	Communications Supplies	1,683	3,000	3,000	520	1,100	900	-
623860	Lubricants	15,134	25,200	25,200	6,789	20,600	5,000	-
623990	Materials and Supplies, N.O.C.	56,526	94,400	94,400	93,080	83,800	100,000	-
300	TOTAL MATERIALS AND SUPPLIES	12,401,922	18,275,500	18,112,300	17,501,965	15,172,700	20,034,200	-
634600	Equipment for Collection Facilities	80,936	50,000	50,000	46,477	42,500	50,000	-
634650	Equipment for Process Facilities	140,237	161,000	161,000	134,650	123,300	100,000	-
634760	Material Handling and Farming Equipment	4,487	-	-	-	-	-	-
634860	Vehicle Equipment	-	7,000	7,000	5,597	5,600	10,000	-
634970	Testing and Laboratory Equipment	5,395	6,000	6,000	-	-	6,000	-
400	TOTAL MACHINERY AND EQUIPMENT	231,056	224,000	224,000	186,723	171,400	166,000	-
<b>TOTAL MAINTENANCE &amp; OPERATIONS</b>		<b>\$171,139,365</b>	<b>\$187,725,800</b>	<b>\$187,362,600</b>	<b>\$140,332,299</b>	<b>\$169,958,400</b>	<b>\$186,505,800</b>	<b>\$ -</b>

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).  
 4. For the M&O Department, Expenditure (Committed Budget plus Disbursement) may exceed Adjusted Appropriation for a specific division as funding is controlled at the M&O Overall department-level.

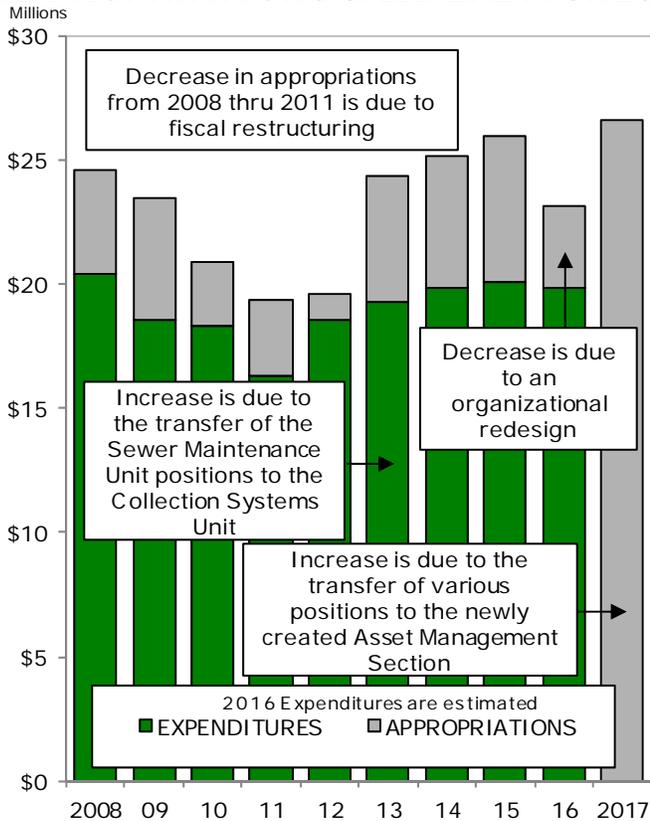
# MAINTENANCE & OPERATIONS – GENERAL DIVISION

2017	\$26,598,400
2016	\$23,111,200
Increase	\$3,487,200

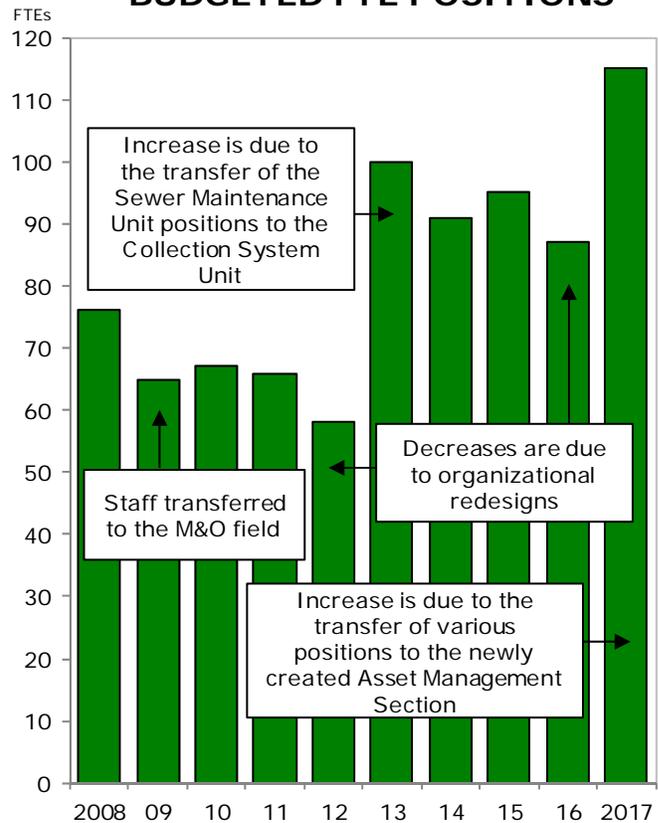
## FUNCTIONS



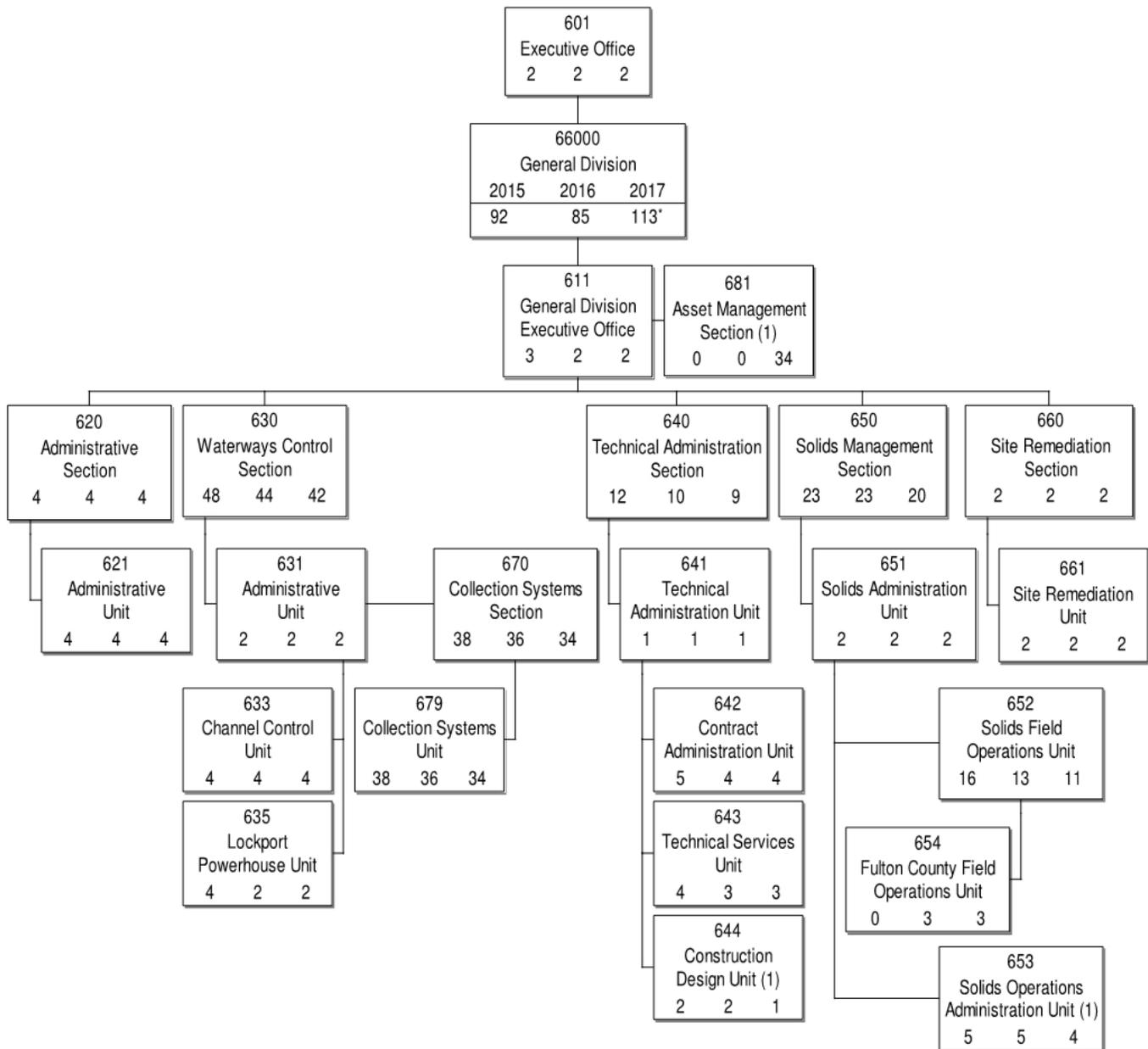
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# MAINTENANCE & OPERATIONS – GENERAL DIVISION



\* In 2017, 18 positions in the General Division are funded by the Stormwater Management Fund while the operations remain in the Maintenance & Operations Department: two in Unit 634, six in Unit 636, four in Unit 639, and six in Unit 679.

(1) Effective 01/01/2017, 33 positions were transferred into Section 681 from Units 644, 653, 721, 722, 723, 754, 794, 822, 823, 922, and 923 with one position added for a total of 34 positions.

## MAINTENANCE & OPERATIONS – GENERAL DIVISION

**The General Division supports the District’s mission to protect the quality of the water supply and the health and safety of the public, to improve the quality of water in canals, rivers, and streams, to protect businesses and homes from flood damage, and to manage water as a vital resource.**

### General Division Summary

**The Waterways Control Section** is responsible for the waterways, collection facilities, and small streams throughout the District. The Waterways Control Center continuously receives meteorological data, radar patterns, and other vital information from precipitation stations and water gauges. This information is used to provide control of the 76 miles of the District’s navigable inland waterways. The Lockport Powerhouse is integral to managing the Chicago Area Waterway System and reducing the risk of flooding throughout our service area. It also provides financial benefits from its hydroelectric power generation. The Collection System Unit inspects, cleans, and maintains the District’s sewers. This unit is also responsible for the Chicago River Controlling Works, the Lockport Controlling Works, the Centennial Fountain, and six bridges over the North Shore Channel. Besides its Corporate Fund responsibilities, the section oversees programs and operations in the Stormwater Management Fund, including the Small Streams Maintenance Program, which reduces flooding in urbanized areas by removing debris from 532 miles of small streams in Cook County, and the Channel Maintenance Unit, which removes debris from the 76 miles of navigable waterways in Cook County.

**The Solids Management Section** manages, on a District-wide basis, the processing and utilization of biosolids, the final byproduct of the wastewater treatment process. It maintains and operates the Lawndale Avenue and Calumet Solids Management Areas and Fulton County.

**The Site Remediation Section** assesses the environmental condition of various District-owned property and works with the Law Department to remediate environmental contamination found on leased District-owned property and to make vacant District-owned property available for lease. The Site Remediation Section also assists in resolving site contamination, environmental compliance, hazardous waste handling, and disposal issues that arise at various District facilities and projects.

**The Technical Administration Section** consists of two units. The Technical Projects Unit acts as the department’s liaison for technical, legal, and financial issues. It handles all regulatory communications with agencies such as the Illinois Environmental Protection Agency, and manages all environmental permits, such as the National Pollutant Discharge Elimination System, Federally Enforceable State Operating, Clean Air Act Permit Program Title V, Biosolids, Operating, and Stormwater. The section coordinates reporting requirements for permits and Combined Sewer Overflow, supplies technical information to plant personnel and other departments and agencies, reviews and comments on proposed regulatory requirements and their possible effects on District operations, and coordinates Government Accounting Standards Board Statement 34 evaluations of District facilities. The Contract Administration Unit provides contract procurement services for the department.

**The Administrative Section** provides financial and budgetary services, develops and implements a yearly budget, and reviews and processes requisitions and payments for goods and services in conformance with the Prompt Payment Act and other statutes. It prepares studies, reports, and correspondence to support the department’s progress towards its goals and strategies.

**The Asset Management Section** manages the maintenance of critical plant assets and infrastructure on a District-wide basis. It is composed of Electrical and Mechanical Engineers and serves to centralize the department’s maintenance function.

### Summary of 2016 Accomplishments

- Distributed 70,000 rain barrels to satisfy the requirements of the Consent Decree;
- Initiated the “Restore the Canopy, Plant a Tree” oak tree sapling distribution program in order to address Cook County’s declining tree population and thereby revive the depleted green infrastructure which absorbs stormwater and reduces flooding.

### Budget Highlights

The 2017 appropriation for the General Division is \$26,598,400, an increase of \$3,487,200, or 15.1 percent, from 2016. The 2017 Corporate Fund staffing level is 115 positions, a net increase of 28 positions due to the transfer in of 31 positions from the other M&O divisions and the addition of a Managing Engineer to staff the new Asset Management Section. Two Associate Civil Engineers were transferred to the Engineering Department and one Secretary to the Calumet Service Area. One Engineering Technician IV from the Engineering Department and one Administrative Specialist from the Calumet Service Area were transferred to the General Division. Lastly, two Associate Civil Engineers and one Assistant Civil Engineer were dropped. The total General Division position count is 133 due to an additional 18 positions, which are budgeted in the Stormwater Management Fund and managed by Maintenance & Operations.

The General Division budget achieves the District’s strategic goals as follows: Add Value by marketing the Lockport Powerhouse’s electrical capacity; Excellence via measurable odor control strategies; Resource Recovery via biosolids composting to create a Class A land applicable product; Develop Employees as shown by the emphasis on training and the resultant decrease in the outsourcing of specialized work; Leading Partnerships by developing relationships with municipalities such as the City of Chicago to utilize tree-based yard waste as bulking material in the creation of a biosolids compost blend; and Technology through the development of nutrient control processes and systems at Fulton County.

**66000 M&O - GENERAL DIVISION**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. COLLECTION AND TREATMENT: The General Division provides technical and administrative support to the Maintenance & Operations Department's seven treatment facilities. It provides management and coordination of the collection system related activities.	\$ 8,673,545	32.6%
2. SOLIDS PROCESSING: The General Division provides technical and administrative support for the removal and processing of solids from concentrated sewage through various systems including heated digestion, centrifuging, air drying, and conditioning of low solids sludge and centrifuge cake in lagoons.	\$ 1,326,485	5.0%
3. SOLIDS UTILIZATION: The General Division provides management and coordination of biosolids processing and utilization of District-wide activities.	\$ 13,414,885	50.4%
4. FLOOD AND POLLUTION CONTROL: The Waterways Control Section minimizes flooding and pollution of Lake Michigan through continuous control of the water levels of major rivers and canals, while limiting diversion of water from the lake in accordance with the U.S. Supreme Court Decree of 1967. In addition, the Waterways Control Section operates the Lockport Powerhouse and will generate an estimated 41.5 million kWh of electricity to obtain approximately \$1.0 million in revenue.	\$ 2,180,685	8.2%
5. GENERAL SUPPORT: The General Division provides technical and administrative support for other departments not directly related to the operational activities of Collection & Treatment, Solids Processing, Flood & Pollution Control, and Solids Utilization.	\$ 126,300	0.5%
6. Inspect and evaluate District properties for compliance with the United States Environmental Protection Agency and the Illinois Environmental Protection Agency requirements.	\$ 876,500	3.3%
<b>Total</b>	<b>\$ 26,598,400</b>	<b>100.0%</b>

MEASURABLE GOALS:	Unit of Measure	2015 Actual	2016 Estimated	2017 Proposed
1. Operation of the Lockport Powerhouse to generate the equivalent of \$1.0 million worth of electricity in 2017.	kWh generated	41,595,703	40,900,000	41,500,000
	<i>* Revenue generated</i>	<i>\$ 1,236,698</i>	<i>\$ 1,165,000</i>	<i>\$ 1,000,000</i>
2. General Division will minimize diversion of Lake Michigan water in accordance with U.S. Supreme Court Decree, through control of water levels.	mil gal/yr diversion	59,840	61,500	61,500
3. The Solids Management Section will oversee the utilization of 89,000 dry tons of biosolids in 2017. (North Service Area's 1,000 dry tons of solids remain in that division.)	dry tons	72,258	89,100	89,000

*\* Revenue generated not included in total costs.*

**66000 M&O - GENERAL DIVISION**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015 Actuals	Budgeted		Change		
Number	Name		FTEs	Dollars	Dollars	Percent	
1000	Collection	\$ 4,063,712	2017 43	\$ 5,754,785	\$ 692,955	13.7	
			2016 35	\$ 5,061,830			
1100	Surface Interceptor Systems	\$ 2,480,557	2017 20	\$ 2,596,900	\$ (213,100)	(7.6)	a)
			2016 21	\$ 2,810,000			
1200	Tunnel and Reservoir System	\$ 726,724	2017 9	\$ 1,055,600	\$ 207,300	24.4	b)
			2016 8	\$ 848,300			
1300	Pumping Station Facilities	\$ 29,066	2017 4	\$ 464,200	\$ 444,600	2,268.4	b)
			2016 -	\$ 19,600			
1900	Collection - Indirect Costs	\$ 827,365	2017 10	\$ 1,638,085	\$ 254,155	18.4	c)
			2016 6	\$ 1,383,930			
2000	Treatment	\$ 905,304	2017 21	\$ 2,797,260	\$ 1,877,080	204.0	
			2016 6	\$ 920,180			
2000	Pre-Treatment	\$ -	2017 1	\$ 103,100	\$ 103,100	100.0	b)
			2016 -	\$ -			
2100	Primary Treatment	\$ -	2017 1	\$ 123,700	\$ 123,700	100.0	b)
			2016 -	\$ -			
2200	Secondary Treatment	\$ -	2017 3	\$ 336,200	\$ 336,200	100.0	b)
			2016 -	\$ -			
2300	Tertiary Treatment	\$ 19,677	2017 1	\$ 69,700	\$ 61,900	793.6	b)
			2016 -	\$ 7,800			
2900	Treatment - Indirect Costs	\$ 885,627	2017 15	\$ 2,164,560	\$ 1,252,180	137.2	d)
			2016 6	\$ 912,380			
3000	Solids Processing	\$ 613,514	2017 11	\$ 1,326,485	\$ 659,355	98.8	
			2016 5	\$ 667,130			
3100	Thickening	\$ -	2017 2	\$ 218,900	\$ 218,900	100.0	b)
			2016 -	\$ -			
3200	Stabilization	\$ -	2017 1	\$ 83,000	\$ 83,000	100.0	b)
			2016 -	\$ -			
3300	Processing Tertiary Solids	\$ 70,548	2017 1	\$ 92,400	\$ 26,800	40.9	e)
			2016 1	\$ 65,600			
3900	Solids Processing - Indirect Costs	\$ 542,966	2017 7	\$ 932,185	\$ 330,655	55.0	f)
			2016 4	\$ 601,530			

- a) Decrease is due to the net reduction of salaries due to the drop of one FTE position (\$152,400), the reduced need for manhole and infrastructure repairs (\$115,000) and generator maintenance (\$25,100), offset by an increased demand for collection system cleaning (\$28,900).
- b) Increase is due to the transfer of various positions into the newly created Asset Management Section (AMS) in the M&O General Division.
- c) Increase is due to the transfer of various positions into the newly created AMS in the M&O General Division (\$619,800), offset by reduced need for replacement biofilter media at the Upper Des Plaines Pumping Station (\$175,000) and the reduced need for REACT Services (\$130,000).
- d) Increase is due to the transfer of various positions into the newly created AMS in the M&O General Division (\$1,073,800) and sub-membership in the Pennsylvania-New Jersey-Maryland Interconnection (\$121,800).
- e) Increase is due to the transfer of various positions into the newly created AMS in the M&O General Division (\$66,400), offset by the reallocation of salaries to better reflect current activities (\$39,600).
- f) Increase is due to the transfer of various positions into the newly created AMS in the M&O General Division (\$311,400) and an anticipated increase in overtime payments (\$16,500).

**66000 M&O - GENERAL DIVISION**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015 Actuals	Budgeted		Change		
Number	Name		FTEs	Dollars	Dollars	Percent	
4000	Flood & Pollution Control	\$ 2,076,597	2017 14	\$ 2,180,685	\$ 101,855	4.9	
			2016 13	\$ 2,078,830			
4200	Waterways Control and Stormwater Reservoirs	\$ 1,632,690	2017 8	\$ 1,440,900	\$ 50,200	3.6	
			2016 8	\$ 1,390,700			
4210	Maintenance of Waterways	\$ -	2017 1	\$ 171,000	\$ (29,900)	(14.9)	
			2016 1	\$ 200,900			
4300	Stormwater Management	\$ 147,449	2017 2	\$ 167,900	\$ 6,300	3.9	
			2016 2	\$ 161,600			
4400	Aeration Facilities	\$ 79,084	2017 1	\$ 123,500	\$ 46,300	60.0	g)
			2016 1	\$ 77,200			
4900	Flood & Pollution Control - Indirect Costs	\$ 217,374	2017 2	\$ 277,385	\$ 28,955	11.7	
			2016 1	\$ 248,430			
5000	Solids Utilization	\$ 11,547,463	2017 22	\$ 13,414,885	\$ 316,955	2.4	
			2016 24	\$ 13,097,930			
5100	Solids Drying	\$ 5,920,978	2017 4	\$ 5,636,200	\$ 153,100	2.8	h)
			2016 5	\$ 5,483,100			
5200	Solids Distribution	\$ 4,114,273	2017 6	\$ 5,890,400	\$ 167,300	2.9	i)
			2016 6	\$ 5,723,100			
5900	Solids Utilization - Indirect Costs	\$ 1,512,212	2017 12	\$ 1,888,285	\$ (3,445)	(0.2)	
			2016 13	\$ 1,891,730			
7000	General Support (excludes program numbers 7368 and 7604)	\$ 152,051	2017 1	\$ 126,300	\$ 3,900	3.2	
			2016 1	\$ 122,400			
7368	Real Estate Environmental Assessment	\$ 750,140	2017 3	\$ 876,500	\$ (154,000)	(14.9)	j)
			2016 3	\$ 1,030,500			
7604	Social Security and Medicare Contributions	\$ -	2017 -	\$ 121,500	\$ (10,900)	(8.2)	
			2016 -	\$ 132,400			
Totals		\$ 20,108,781	2017 115	\$ 26,598,400	\$ 3,487,200	15.1%	
			2016 87	\$ 23,111,200			

- g) Increase is due to the transfer of various positions into the newly created AMS in the M&O General Division (\$81,700), offset by the reallocation of salaries to better reflect current activities (\$36,500).
- h) Increase is due to a higher demand for heavy equipment rental (\$200,000), offset by the reduced need for truck hauling of biosolids (\$37,600).
- i) Increase is due to a higher demand for biosolids utilization (\$366,000), offset by reduced demand for beneficial reuse of biosolids (\$140,500).
- j) Decrease is due to the reduced need for environmental investigations (\$150,000).

\* The 2017 position total for the General Division is 115, with 18 positions budgeted in the Stormwater Management Fund.

**66000 M&O - GENERAL DIVISION**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
1000-2900	Collection & Treatment					
	Technical and Administrative Support for Collection and Treatment Activities	Cost	\$ 4,969,016	\$ 5,982,010	\$ 8,552,045	a)
3000	Solids Processing					
	Technical and Administrative Support for Solids Removal and Processing	Cost	\$ 613,514	\$ 667,130	\$ 1,326,485	b)
4000	Flood & Pollution Control					
4200	Operation and Maintenance of the Waterways to Minimize Area Flooding and Pollution	Cost	\$ 629,748	\$ 770,600	\$ 819,200	
	Minimize Diversion of Lake Michigan Water in Accordance with the U.S. Supreme Court Decree	Mil. Gal./Year Diversion	59,840	23,825	61,500	
		Cost	\$ 447,393	\$ 290,300	\$ 300,300	
		Cost/Mil. Gal./Year	\$ 7.48	\$ 12.18	\$ 4.88	
	Generate Electricity at Lockport Powerhouse to Obtain Approximately \$1.0 million in Revenue	kWh	41,595,703	36,856,400	41,500,000	
		Cost	\$ 555,549	\$ 329,800	\$ 321,400	
		Cost/kWh	\$ 0.0134	\$ 0.0089	\$ 0.0077	
		* Revenue Generated	\$ 1,236,698	\$ 1,191,700	\$ 1,000,000	
4210	Maintenance of the Waterways and Canal Banks Within the Jurisdiction of the District. Activities Include Debris Removal, Insect and Rodent Control, Bridge Repairs and Aeration Costs	Cost	\$ -	\$ 200,900	\$ 171,000	
4300	Stormwater Management	Cost	\$ 147,449	\$ 161,600	\$ 167,900	
4400	Aeration Facilities	Cost	\$ 79,084	\$ 77,200	\$ 123,500	c)
4900	Flood & Pollution Control - Indirect Costs	Cost	\$ 217,374	\$ 248,430	\$ 277,385	
5000	Solids Drying/Utilization					
	Management and Coordination of the Solids Utilization Program	Dry Tons	72,258	89,100	89,000	
		Cost	\$ 11,547,463	\$ 13,097,930	\$ 13,414,885	d)
		Cost/Dry Ton	\$ 159.81	\$ 147.00	\$ 150.73	
7000	General Support (excludes program numbers 7368 and 7604) Technical and Administrative Support for Other Departments' Activities Indirectly Related to the Operational Activities of Collection & Treatment, Solids Processing, Flood & Pollution Control and Solids Utilization	Cost	\$ 152,051	\$ 122,400	\$ 126,300	
7368	Real Estate Environmental Assessment	Cost	\$ 750,140	\$ 1,030,500	\$ 876,500	e)
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 132,400	\$ 121,500	
	<b>Division Total</b>		<b>\$ 20,108,781</b>	<b>\$ 23,111,200</b>	<b>\$ 26,598,400</b>	

- a) Increase is due to the transfer of various positions into the newly created AMS in the M&O General Division (\$2,876,700), offset by the reduced need for replacement biofilter media at the Upper Des Plaines Pumping Station (\$175,000) and REACT Services (\$130,000).
- b) Increase is due to the transfer of various positions into the newly created AMS in the M&O General Division (\$679,700).
- c) Increase is due to the transfer of various positions into the newly created AMS in the M&O General Division (\$81,700), offset by the reallocation of salaries to better reflect current activities (\$36,500).
- d) Increase is due to a higher demand for biosolids utilization (\$366,000), offset by the reduced need for truck hauling of biosolids (\$37,600).
- e) Decrease is due to reduced requests for environmental investigations (\$150,000).

\* Revenue generated not included in total costs.

101 66000	Fund: Corporate Department: Maintenance & Operations Division: General	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 8,272,161	\$ 8,877,500	\$ 8,877,500	\$ 5,946,662	\$ 8,171,900	\$ 12,330,600	\$ -
601060	Compensation Plan Adjustments	589,831	402,700	517,700	427,462	443,700	504,700	-
601070	Social Security and Medicare Contributions	-	132,400	132,400	90,860	115,200	121,500	-
601080	Salaries of Nonbudgeted Employees	11,371	23,400	21,800	-	-	19,700	-
601100	Tuition and Training Payments	22,930	20,000	20,000	16,345	17,200	15,700	-
601170	Payments for Professional Services	354,726	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	9,251,019	9,456,000	9,569,400	6,481,329	8,748,000	12,992,200	-
612010	Travel	4,528	5,000	4,500	1,716	3,000	2,100	-
612030	Meals and Lodging	10,226	11,500	11,500	6,747	6,600	5,500	-
612050	Compensation for Personally-Owned Automobiles	7,023	9,000	9,000	2,837	2,100	9,400	-
612080	Motor Vehicle Operating Services	103	200	300	234	300	400	-
612150	Electrical Energy	53,473	86,300	86,300	49,450	77,000	77,700	-
612160	Natural Gas	2,563	6,900	6,900	5,276	6,700	8,100	-
612170	Water and Water Services	35,734	32,400	52,400	38,893	31,000	33,600	-
612210	Communication Services	130,633	210,000	276,000	276,000	206,500	200,700	-
612240	Testing and Inspection Services	4,014	16,300	16,300	13,930	10,000	14,100	-
612330	Rental Charges	8,952	7,600	7,800	7,744	7,600	10,900	-
612410	Governmental Service Charges	16,872	22,500	25,100	14,500	25,100	21,000	-
612420	Maintenance of Grounds and Pavements	21,963	657,300	795,600	663,720	630,800	653,200	-
612430	Payments for Professional Services	-	792,700	792,500	664,550	492,100	632,000	-
612490	Contractual Services, N.O.C.	90,892	190,200	192,800	192,769	181,700	213,300	-
612520	Waste Material Disposal Charges	8,875,612	9,027,600	9,054,600	8,960,491	7,940,000	9,417,500	-
612600	Repairs to Collection Facilities	656,939	1,110,000	1,110,000	1,004,494	495,000	949,100	-
612620	Repairs to Waterway Facilities	-	85,600	85,600	45,703	38,000	40,000	-
612650	Repairs to Process Facilities	15,267	25,500	25,500	15,410	15,400	31,500	-
612680	Repairs to Buildings	66,131	31,000	25,100	16,298	13,000	39,400	-
612760	Repairs to Material Handling and Farming Equipment	306,991	226,000	226,000	199,960	222,000	226,000	-

101 66000	Fund: Corporate Department: Maintenance & Operations Division: General	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
612780	Safety Repairs and Services	5,718	12,500	19,300	19,249	16,800	12,900	-
612790	Repairs to Marine Equipment	53,142	53,000	53,000	52,555	48,000	60,000	-
612820	Computer Software Maintenance	2,920	5,200	5,200	5,156	5,200	5,400	-
612860	Repairs to Vehicle Equipment	19,839	38,100	38,100	38,045	26,000	30,500	-
612990	Repairs, N.O.C.	800	2,900	2,900	1,450	2,400	3,400	-
200	TOTAL CONTRACTUAL SERVICES	10,390,335	12,665,300	12,922,300	12,297,176	10,502,300	12,697,700	-
623070	Electrical Parts and Supplies	14,453	19,400	19,400	16,215	19,400	15,000	-
623090	Plumbing Accessories and Supplies	8,682	5,500	10,500	9,880	9,000	10,000	-
623110	Hardware	1,142	4,100	4,100	2,000	3,500	4,100	-
623130	Buildings, Grounds, Paving Materials, and Supplies	12,893	42,800	41,700	41,618	37,300	56,000	-
623250	Vehicle Parts and Supplies	30,867	74,900	74,900	74,898	67,100	114,500	-
623270	Mechanical Repair Parts	92,124	102,600	102,600	51,871	38,500	117,300	-
623300	Manhole Materials	-	10,600	2,100	1,137	1,100	11,000	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	7,019	7,500	7,500	7,497	6,500	7,500	-
623530	Farming Supplies	-	5,000	5,000	3,711	4,700	5,000	-
623560	Processing Chemicals	131,044	405,000	254,000	246,874	202,500	359,000	-
623570	Laboratory Testing Supplies, Small Equipment, and Chemicals	2,546	-	20,200	20,116	20,200	-	-
623660	Cleaning Supplies	-	1,300	1,300	1,164	1,200	2,200	-
623680	Tools and Supplies	19,184	24,000	18,300	16,110	14,500	19,500	-
623700	Wearing Apparel	1,618	1,000	1,000	714	800	1,500	-
623780	Safety and Medical Supplies	6,323	8,000	45,700	40,419	14,700	6,500	-
623800	Computer Software	-	2,000	2,000	-	-	1,000	-
623810	Computer Supplies	-	600	600	600	500	2,000	-
623820	Fuel	111,971	253,100	208,100	203,092	124,900	157,000	-
623860	Lubricants	-	2,500	2,500	1,012	2,200	500	-
623990	Materials and Supplies, N.O.C.	27,561	20,000	52,500	52,326	44,700	18,900	-
300	TOTAL MATERIALS AND SUPPLIES	467,427	989,900	874,000	791,251	613,300	908,500	-

101 66000 Fund: Corporate Department: Maintenance & Operations Division: General		LINE ITEM ANALYSIS						
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
TOTAL GENERAL DIVISION		\$ 20,108,781	\$ 23,111,200	\$ 23,365,700	\$ 19,569,756	\$ 19,863,600	\$ 26,598,400	\$ -

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).  
 4. For the M&O Department, Expenditure (Committed Budget plus Disbursement) may exceed Adjusted Appropriation for a specific division as funding is controlled at the M&O Overall department-level.

Fund: Corporate Dept: Maintenance & Operations Division: General		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>601</b>	<b>Executive Office</b>					
EX14	Director of Maintenance & Operations	1	1		1	
EX06	Secretary to Officer	1	1		1	
TOTAL	Executive Office	2	2	354,207.88	2	358,643.74
<b>611</b>	<b>General Division Executive Office</b>					
HP22	Assistant Director of Maintenance & Operations	1	1		1	
HP20	Managing Engineer	1	-		-	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	1		-	
HP11	Administrative Specialist	-	-		1	
TOTAL	General Division Executive Office	3	2	313,172.86	2	273,266.50
<b>620</b>	<b>Administrative Section</b>					
<b>621</b>	<b>Administrative Unit</b>					
HP18	Supervising Budget & Management Analyst	1	1		1	
HP16	Senior Budget & Management Analyst	1	1		1	
HP15	Management Analyst II #2 (Budget & Management Analyst) (New Grade HP14)	1	-		-	
HP14	Budget & Management Analyst	1	2		2	
TOTAL	Administrative Unit	4	4	429,707.98	4	435,543.42
TOTAL	Administrative Section	4	4	429,707.98	4	435,543.42
<b>630</b>	<b>Waterways Control Section</b>					
<b>631</b>	<b>Administrative Unit</b>					
HP20	Managing Civil Engineer	1	1		1	
HP11	Administrative Specialist	1	1		1	
TOTAL	Administrative Unit	2	2	255,318.96	2	255,318.96
<b>633</b>	<b>Channel Control Unit</b>					
NR6271	Systems Dispatcher	4	4		4	
TOTAL	Channel Control Unit	4	4	446,201.60	4	459,596.80
<b>634</b>	<b>Channel Maintenance Unit</b>					
	(* Number of positions budgeted and funded by the Stormwater Management Fund appears below position count)					
HP17	Senior Civil Engineer	-	-		-	
		(*1)	(*1)		(*1)	

Fund: Corporate Dept: Maintenance & Operations Division: General		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP15	Associate Civil Engineer	-	-		-	
		(*1)	(*1)		(*1)	
TOTAL	Channel Maintenance Unit	-	-	-	-	-
TOTAL	Stormwater Management Fund Positions	(*2)	(*2)		(*2)	
<b>635</b>	<b>Lockport Powerhouse Unit</b>					
HP14	Assistant Civil Engineer	1	-		-	
HP14	Engineering Technician V	1	-		-	
NR7394	Powerhouse Mechanic Leadman	1	1		1	
NR7393	Powerhouse Mechanic	1	1		1	
TOTAL	Lockport Powerhouse Unit	4	2	231,171.20	2	238,097.60
<b>636</b>	<b>Boat Operations Unit</b>					
	(* Number of positions budgeted and funded by the Stormwater Management Fund appears below position count)					
HP14	Engineering Technician V	-	-		-	
		(*1)	(*1)		(*1)	
HP14	Engineering Technician V #4	-	-		-	
		(*1)	(*1)		(*1)	
HP12	Engineering Technician IV	-	-		-	
		(*1)	(*1)		(*1)	
HP12	Engineering Technician IV #4	-	-		-	
		(*1)	(*1)		(*1)	
NR8650	Maintenance Laborer Class A Shift	-	-		-	
		(*2)	(*2)		(*2)	
TOTAL	Boat Operations Unit	-	-	-	-	-
TOTAL	Stormwater Management Fund Positions	(*6)	(*6)		(*6)	
<b>639</b>	<b>Channel Maintenance Unit</b>					
	(* Number of positions budgeted and funded by the Stormwater Management Fund appears below position count)					
HP14	Engineering Technician V	-	-		-	
		(*1)	(*1)		(*1)	
HP14	Engineering Technician V #4	-	-		-	
		(*1)	(*1)		(*1)	
NR8650	Maintenance Laborer Class A Shift	-	-		-	
		(*2)	(*2)		(*2)	
TOTAL	Channel Maintenance Unit	-	-	-	-	-
TOTAL	Stormwater Management Fund Positions	(*4)	(*4)		(*4)	
<b>670</b>	<b>Collection System Section</b>					
<b>679</b>	<b>Collection System Unit</b>					
	(* Number of positions budgeted and funded by the Stormwater Management Fund appears below position count)					
HP17	Senior Civil Engineer	2	1		1	
HP15	Associate Civil Engineer	2	2		1	

Fund: Corporate Dept: Maintenance & Operations Division: General		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Assistant Civil Engineer	1	1		-	
HP14	Engineering Technician V	4	4		4	
HP12	Engineering Technician IV	1	1		1	
HP12	Engineering Technician IV #1	1	-		-	
HP11	Engineering Technician III	1	1		1	
NR8331	Laborer Foreman	6	6		6	
		(*1)	(*1)		(*1)	
NR8650	Maintenance Laborer Class A Shift	14	14		14	
		(*4)	(*4)		(*4)	
PR6473	Truck Driver	6	6		6	
		(*1)	(*1)		(*1)	
TOTAL	Collection System Unit	38	36	3,057,082.86	34	2,914,171.00
TOTAL	Stormwater Management Fund Positions	(*6)	(*6)		(*6)	
TOTAL	Collection System Section	38	36	3,057,082.86	34	2,914,171.00
TOTAL	Stormwater Management Fund Positions	(*6)	(*6)		(*6)	
TOTAL	Waterways Control Section	48	44	3,989,774.62	42	3,867,184.36
TOTAL	Stormwater Management Fund Positions	(*18)	(*18)		(*18)	
<b>640</b>	<b>Technical Administration Section</b>					
<b>641</b>	<b>Technical Administration Unit</b>					
HP20	Managing Civil Engineer	1	1		1	
TOTAL	Technical Administration Unit	1	1	190,814.00	1	190,814.00
<b>642</b>	<b>Contract Administration Unit (formerly Contract Preparation Unit)</b>					
HP18	Principal Civil Engineer	1	1		1	
HP17	Senior Mechanical Engineer	1	1		1	
HP15	Associate Civil Engineer	1	1		1	
HP15	Associate Mechanical Engineer	1	-		-	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	1		1	
TOTAL	Contract Administration Unit (formerly Contract Preparation Unit)	5	4	480,248.86	4	480,248.86
<b>643</b>	<b>Technical Services Unit</b>					
HP18	Principal Civil Engineer	1	-		-	
HP17	Senior Civil Engineer	1	1		1	

Fund: Corporate Dept: Maintenance & Operations Division: General		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP15	Associate Civil Engineer	1	1		1	
HP11	Administrative Specialist	1	1		1	
TOTAL	Technical Services Unit	4	3	306,876.70	3	306,876.70
<b>644</b>	<b>Construction Design Unit</b>					
HP18	Principal Civil Engineer	1	1		1	
HP18	Principal Electrical Engineer	1	1		-	
TOTAL	Construction Design Unit	2	2	296,879.96	1	145,522.26
TOTAL	Technical Administration Section	12	10	1,274,819.52	9	1,123,461.82
<b>650</b>	<b>Solids Management Section</b>					
<b>651</b>	<b>Solids Administration Unit</b>					
HP20	Managing Civil Engineer	1	1		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	-	1		1	
HP11	Administrative Specialist	1	-		-	
TOTAL	Solids Administration Unit	2	2	270,115.04	2	270,115.04
<b>652</b>	<b>Solids Field Operations Unit</b>					
HP18	Principal Engineer	-	1		1	
HP17	Senior Civil Engineer	1	1		1	
HP15	Associate Civil Engineer	3	3		-	
HP14	Assistant Civil Engineer	1	-		-	
HP14	Engineering Technician V	3	3		3	
HP14	Engineering Technician V #4	2	2		2	
HP12	Engineering Technician IV	5	2		3	
HP11	Engineering Technician III	1	1		1	
TOTAL	Solids Field Operations Unit	16	13	1,368,666.78	11	1,100,097.18
<b>653</b>	<b>Solids Operations Administration Unit</b>					
HP17	Senior Civil Engineer	1	1		1	
HP15	Associate Civil Engineer	2	1		1	

Fund: Corporate Dept: Maintenance & Operations Division: General		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP12	Engineering Technician IV #4	1	1		1	
HP11	Administrative Specialist	-	1		-	
NR8652	Maintenance Laborer Class B	1	1		1	
TOTAL	Solids Operations Administration Unit	5	5	442,901.42	4	388,185.72
<b>654</b>	<b>Fulton County Field Operations Unit</b>					
HP12	Agricultural Technician II	-	1		1	
HP11	Agricultural Technician I	-	1		1	
HP11	Administrative Specialist	-	1		1	
TOTAL	Fulton County Field Operations Unit	-	3	214,741.28	3	214,741.28
TOTAL	Solids Management Section	23	23	2,296,424.52	20	1,973,139.22
<b>660</b>	<b>Site Remediation Section</b>					
<b>661</b>	<b>Site Remediation Unit</b>					
HP20	Engineer of Site Remediation	1	1		1	
HP17	Site Remediation Specialist	1	1		1	
TOTAL	Site Remediation Unit	2	2	308,842.56	2	314,325.44
TOTAL	Site Remediation Section	2	2	308,842.56	2	314,325.44
<b>681</b>	<b>Asset Management Section</b>					
HP20	Managing Engineer	-	-		1	
HP18	Principal Electrical Engineer	-	-		3	
HP18	Principal Mechanical Engineer	-	-		3	
HP17	Senior Electrical Engineer	-	-		6	
HP17	Senior Mechanical Engineer	-	-		4	
HP15	Associate Electrical Engineer	-	-		6	
HP15	Associate Mechanical Engineer	-	-		3	
HP15	Associate Process Control Engineer	-	-		3	
HP14	Assistant Electrical Engineer	-	-		1	
HP14	Assistant Mechanical Engineer	-	-		2	

Fund: Corporate Dept: Maintenance & Operations Division: General		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Assistant Mechanical Engineer #2 (Engineering Technician IV) (New Grade HP12)	-	-		1	
HP11	Administrative Specialist	-	-		1	
TOTAL	Asset Management Section	-	-		34	4,047,531.28
TOTAL	Maintenance & Operations General Division	94	87	8,966,949.94	115	12,393,095.78
TOTAL	Stormwater Management Fund Positions	(*18)	(*18)		(*18)	

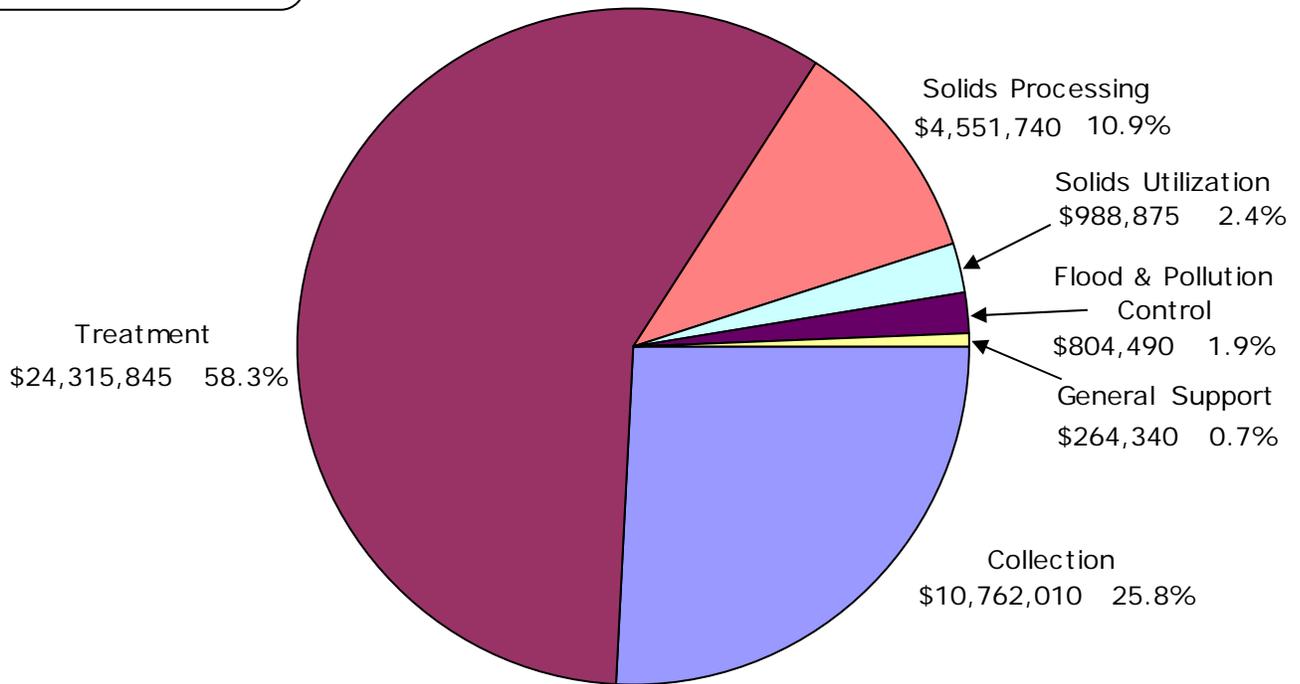
Note: Eighteen positions budgeted in Sections 634, 636, 639, and 679 are funded by the Stormwater Management Fund, while the operations remain in the Maintenance & Operations Department.

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.

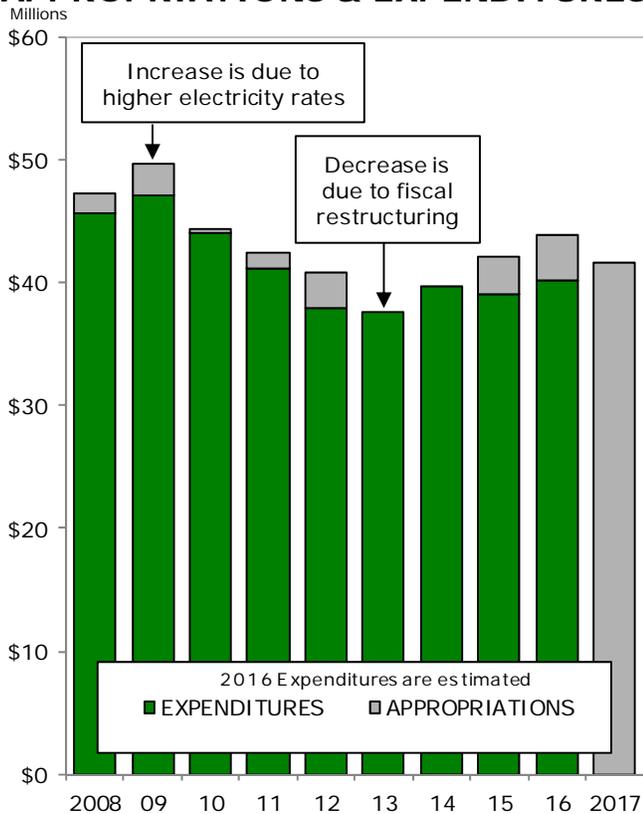
# MAINTENANCE & OPERATIONS – NORTH SERVICE AREA

2017	\$41,687,300
2016	\$43,830,100
Decrease	(\$2,142,800)

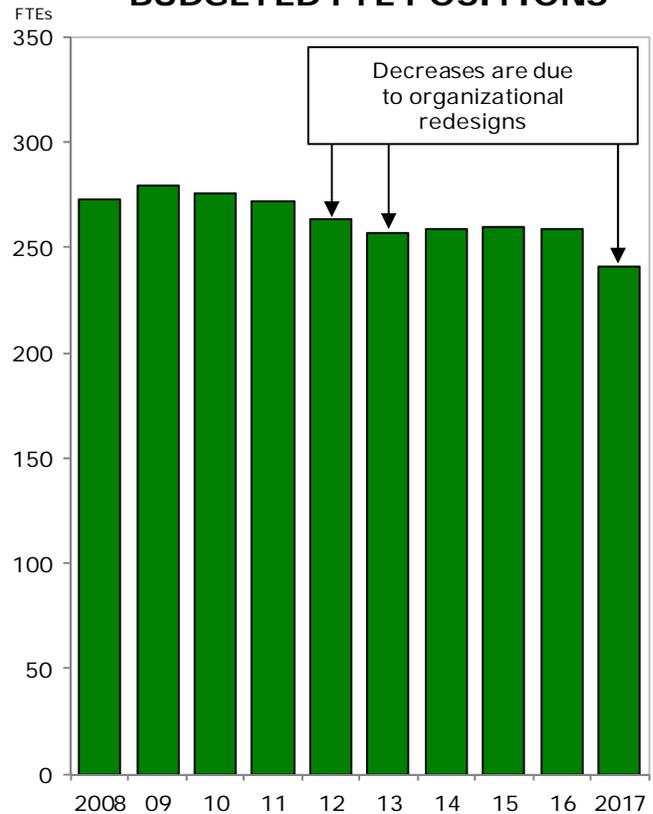
## FUNCTIONS



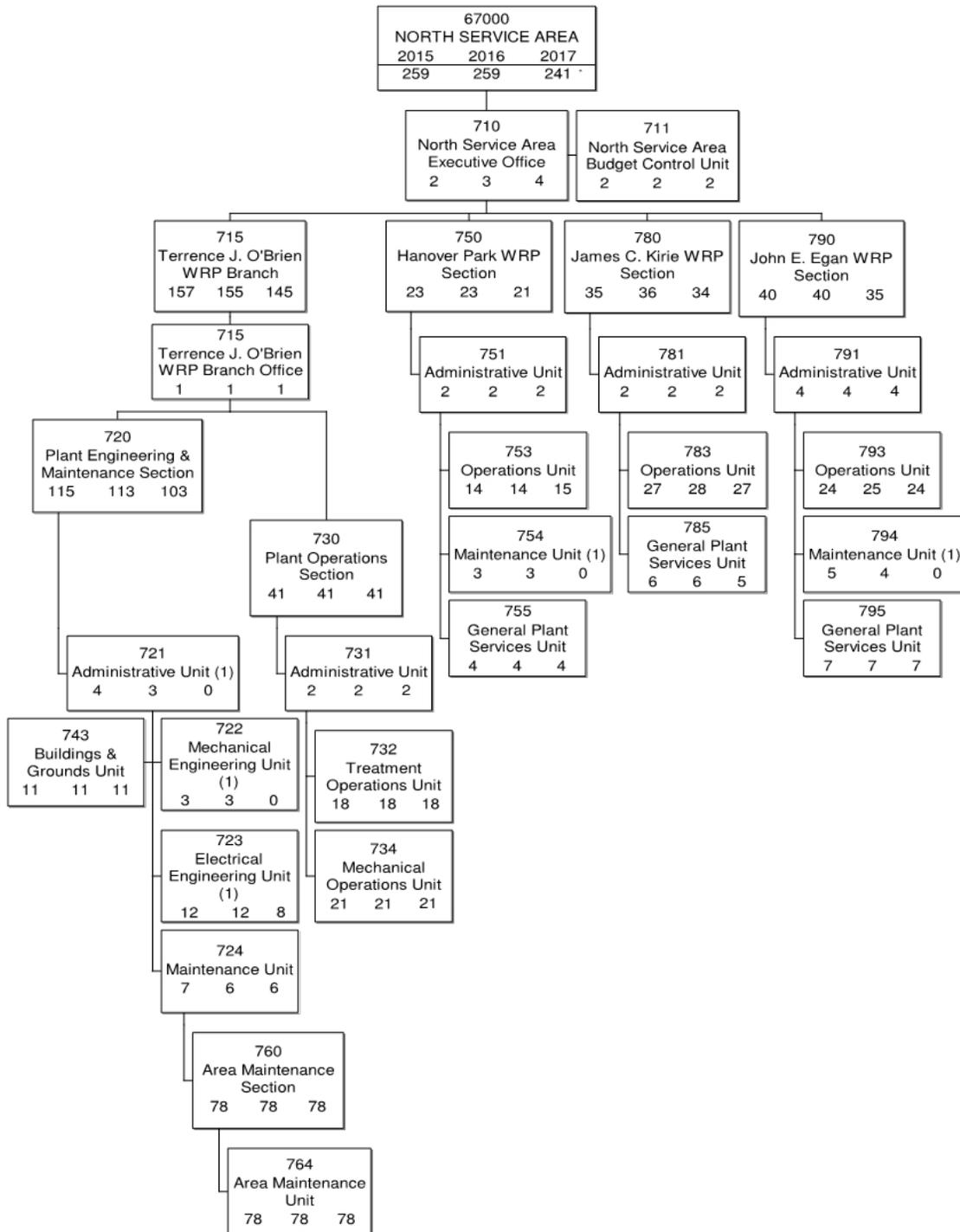
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# MAINTENANCE & OPERATIONS – NORTH SERVICE AREA



\* In 2017, there are no positions funded by the Stormwater Management Fund.

(1) Effective 01/01/2017, a total of 14 positions were transferred from Units 721, 722, 723, 754, and 794 into Section 681.

## MAINTENANCE & OPERATIONS – NORTH SERVICE AREA

**The North Service Area (NSA) supports the District’s mission to protect the quality of the water supply and the health and safety of the public, to improve the quality of water in canals, rivers, and streams, to protect businesses and homes from flood damage, and to manage water as a vital resource.**

### **Service Area Summary**

The NSA collects wastewater discharges from a population equivalent of 1,885,874 people in an area of 297.5 square miles, treating approximately 119.1 billion gallons of wastewater annually at four Water Reclamation Plants (WRPs): O’Brien, Hanover Park, Egan, and Kirie. In order to achieve its mission, the NSA is organized as follows:

**The Area Offices for the Four WRPs** provide leadership in developing long-term capital improvement, operation, and maintenance plans in compliance with National Pollutant Discharge Elimination System (NPDES) and other permit requirements, ensuring continuous improvements. Area offices also operate facilities in a cost-effective manner that ensures the integrity of all facilities, the safety and security of all employees, workers, and the public, and presents a positive and professional image of the District.

**The Engineering and Maintenance Sections** maintain all equipment at the plants and their outlying facilities in compliance with NPDES and other permit requirements. These sections implement asset management based on Government Accounting Standards Board Statement 34 condition evaluations. They also coordinate and direct repairs, maintenance, and alterations for treatment plants, pumping stations, and outlying facilities in the NSA.

**The Operations Sections** operate all equipment and processes at the plants and their outlying facilities in compliance with NPDES and other permit requirements. These sections ensure the operational integrity of all facilities at all times, as well as the safety of employees, contract workers, and the public.

**The Plant Services Sections** maintain buildings and grounds at the plants and their outlying facilities in compliance with NPDES and other permit requirements and ensure their availability, cleanliness, and safety.

### **Summary of 2016 Accomplishments**

- Achieved 100 percent compliance with NPDES and other permit requirements in 2015 at all four WRPs in the NSA;
- Continued infrastructure improvement, rehabilitation, and replacement with a combination of Engineering and Maintenance & Operations Department contracts and use of the Construction Fund for capital projects;
- The ammonia probes, newly installed at the O’Brien and Hanover Park WRPs, increased aeration efficiency;
- Optimized the automation of chemical dosing systems in order to reduce excess chemical usage of sodium hypochlorite and sodium bisulfite;
- Continued maintenance plan and schedule adjustments to increase the use of in-house trades to perform maintenance work previously performed by contract personnel to reduce the level of outsourcing;
- Rehabilitation of Chiller No. 1 at the Egan WRP was completed to increase cooling capacity and improve reliability;
- Ultraviolet disinfection at the O’Brien WRP came online to treat effluent prior to its release back into the waterways;
- ANITA™ Mox treatment at the Egan WRP came online to treat effluent with high ammonia concentration for the removal of nitrogen.

### **Budget Highlights**

The 2017 appropriation for the NSA is \$41,687,300, a decrease of \$2,142,800, or 4.9 percent, from 2016. The 2017 staffing level is 241 positions, a net decrease of 18 positions from 2016. Two Assistant Civil Engineers and one Laborer Foreman were dropped, one Associate Mechanical Engineer was transferred to the Engineering Department, and one Assistant Engineer of Treatment Plant Operations II was transferred to the Stickney Service Area, offset by the transfer in of one Engineering Technician V from the Stickney Service Area. The following positions were transferred to the newly created Asset Management Section in the M&O General Division: one Assistant Electrical Engineer, one Assistant Mechanical Engineer, two Associate Electrical Engineers, one Associate Mechanical Engineer, two Associate Process Control Engineers, one Principal Electrical Engineer, one Principal Mechanical Engineer, three Senior Electrical Engineers, and two Senior Mechanical Engineers.

The NSA will continue to work with other departments to develop a strategy for compliance with the phosphorus concentration limits for the O’Brien WRP effluent. Some of the initiatives being developed are final tank enhancements, phosphorus source control through the Industrial Pretreatment Program, the use of algae to recover phosphorus, side stream phosphorus recovery systems, biological phosphorus removal processes, and aeration control through ammonium management. Process automation, energy conservation, disinfection, and implementation of new treatment processes without a significant increase to the budget remain a high priority.



**67000 M&O - NORTH SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. COLLECTION & TREATMENT: The North Service Area will collect and treat approximately 119.1 billion gallons of wastewater through its treatment facilities and a contract agreement with the Fox River Water Reclamation District.	\$ 35,077,855	84.1%
Design: Flows ^ CBOD * SS *		
Terrence J. O'Brien Water Reclamation Plant	333 MGD	10 mg/l 12 mg/l
John E. Egan Water Reclamation Plant	30 MGD	10 mg/l 12 mg/l
Hanover Park Water Reclamation Plant	12 MGD	10 mg/l 12 mg/l
James C. Kirie Water Reclamation Plant	52 MGD	4 mg/l 5 mg/l
Fox River Water Reclamation District	4 MGD	N.A. N.A.
^ In millions of gallons per day (MGD).		
* National Pollutant Discharge Elimination System monthly effluent quality standards: CBOD - Carbonaceous Biochemical Oxygen Demand SS - Suspended Solids		
2. SOLIDS PROCESSING: The North Service Area will remove 53,500 dry tons and process 13,500 dry tons of concentrated sewage through various systems including heated digestion, centrifuging, concentration, and centrifuge cake in lagoons at CALSMA** and LASMA**.	\$ 4,551,740	10.9%
3. SOLIDS UTILIZATION: The North Service Area will provide support to utilize 1,000 dry tons of further dewatered sewage for the Fischer Farm in Hanover Park and other agricultural applications.	\$ 988,875	2.4%
4. FLOOD & POLLUTION CONTROL: The North Service Area will work to prevent local area flooding and control diversion of water from Lake Michigan through the operation of 22 detention reservoirs in cooperation with local communities and by assisting in the operation of the Wilmette Controlling Works and the North Shore Channel. The North Service Area will also work to maintain the quality of the waterways system and associated District property by utilizing debris boats and channel maintenance crews.	\$ 804,490	1.9%
5. GENERAL SUPPORT: The North Service Area will provide technical and administrative support for other departments not directly related to the operational activities of Collection & Treatment, Solids Processing, Solids Utilization, and Flood & Pollution Control.	\$ 264,340	0.7%
<b>Total</b>	<b>\$ 41,687,300</b>	<b>100.0%</b>
**CALSMA - Calumet Solids Management Area and LASMA - Lawndale Avenue Solids Management Area		

**MEASURABLE GOALS:**

	Unit of Measure	2015 Actual	2016 Estimated	2017 Proposed
1. The North Service Area will collect and treat approximately 119.1 billion gallons of wastewater in 2017.	Billion Gallons	112.7	119.1	119.1
2. The North Service Area will remove 53,500 dry tons and process 13,500 dry tons of concentrated sewage.	Dry Tons Process Solids	13,174	13,500	13,500
3. The North Service Area will obtain 100 percent permit compliance in 2017 for National Pollutant Discharge Elimination System effluent limits.	Percent	100.00%	100.00%	100.00%
4. The North Service Area will provide support to utilize 1,000 dry tons of biosolids in 2017.	Dry Tons	999	1,000	1,000

**67000 M&O - NORTH SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted		Change		
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent	
1000	Collection	\$ 10,692,881	2017 63	\$ 10,762,010	\$ (659,350)	(5.8)	
			2016 69	\$ 11,421,360			
1100	Surface Interceptor Systems	\$ 338,672	2017 3	\$ 309,600	\$ 5,600	1.8	
			2016 3	\$ 304,000			
1200	Tunnel and Reservoir System	\$ 1,433,384	2017 8	\$ 957,900	\$ (317,900)	(24.9)	a)
			2016 9	\$ 1,275,800			
1300	Pumping Station Facilities	\$ 4,455,603	2017 25	\$ 5,030,500	\$ 76,700	1.5	
			2016 27	\$ 4,953,800			
1900	Collection - Indirect Costs	\$ 4,465,222	2017 27	\$ 4,464,010	\$ (423,750)	(8.7)	b)
			2016 30	\$ 4,887,760			
2000	Treatment	\$ 22,710,415	2017 150	\$ 23,977,045	\$ (1,371,200)	(5.4)	
			2016 160	\$ 25,348,245			
2000	Pre-Treatment	\$ 833,143	2017 6	\$ 791,600	\$ (46,400)	(5.5)	
			2016 7	\$ 838,000			
2100	Primary Treatment	\$ 667,393	2017 7	\$ 624,600	\$ (54,800)	(8.1)	
			2016 7	\$ 679,400			
2200	Secondary Treatment	\$ 7,690,353	2017 43	\$ 7,833,900	\$ (339,700)	(4.2)	c)
			2016 44	\$ 8,173,600			
2300	Tertiary Treatment	\$ 1,391,958	2017 11	\$ 1,781,500	\$ (255,500)	(12.5)	d)
			2016 12	\$ 2,037,000			
2900	Treatment - Indirect Costs	\$ 12,127,568	2017 83	\$ 12,945,445	\$ (674,800)	(5.0)	e)
			2016 90	\$ 13,620,245			

- a) Decrease is due to the reduced demand for electricity for the TARP pumping station and control structures at the Kirie WRP (\$264,500) and the transfer of one FTE position to the newly created Asset Management Section (AMS) in the M&O General Division (\$62,900).
- b) Decrease is due to the transfer of three FTE positions to the newly created AMS in the M&O General Division (\$320,400), the reallocation of salaries to more accurately reflect current activities (\$66,900), and the reduced need for repairs to collection facilities (\$120,000), offset by an increased need for pumps and equipment for pumping stations (\$40,300), an anticipated increase in electrical energy costs at the Egan and O'Brien WRPs (\$38,500), and the addition of cathodic protection at the O'Brien WRP (\$7,700).
- c) Decrease is due to the reduced need for electricity due to the decreased use of blowers resulting from reduced aeration needs at the Egan, Kirie, and O'Brien WRPs (\$512,400) and the transfer of one FTE position to the newly created AMS in the M&O General Division (\$167,000), offset by the reallocation of salaries to more accurately reflect current activities (\$106,900), the increased demand for electricity at the Hanover Park WRP from Program Number 3221 to better reflect operational needs (\$84,700), increased requests for materials and supplies (\$85,700), sodium hypochlorite at the O'Brien WRP (\$39,300), and polyaluminum chloride at the Egan WRP, previously allocated to Program Number 2300 (\$25,000).
- d) Decrease is due to a revised estimate for electricity costs for ultraviolet disinfection at the O'Brien WRP based on historical data collected since its implementation in 2016 (\$109,400), the reallocation to Program Number 2200 of a request for polyaluminum chloride at the Egan WRP (\$75,500), and the reallocation of salaries to more accurately reflect current activities (\$46,800).
- e) Decrease is due to the transfer of four FTE positions to the newly created AMS in the M&O General Division (\$501,900), the transfer of an Assistant Engineer of Treatment Plant Operations II transfer to the M&O Stickney Division (\$100,400), and the drop of a Laborer Foreman (\$83,100) and an Assistant Civil Engineer (\$76,100), offset by the increased need for procurement of tools to support the shift towards in-house maintenance (\$77,400).

**67000 M&O - NORTH SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted			Change	
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent	
3000	Solids Processing	\$ 3,804,321	2017 23	\$ 4,551,740	\$ (77,500)	(1.7)	
			2016 24	\$ 4,629,240			
3100	Thickening	\$ 703,515	2017 5	\$ 866,200	\$ 72,600	9.1	
			2016 5	\$ 793,600			
3200	Stabilization	\$ 830,277	2017 6	\$ 742,900	\$ (150,800)	(16.9)	f)
			2016 6	\$ 893,700			
3300	Dewatering	\$ 730,519	2017 6	\$ 1,334,700	\$ 14,000	1.1	
			2016 6	\$ 1,320,700			
3900	Solids Processing - Indirect Costs	\$ 1,540,010	2017 6	\$ 1,607,940	\$ (13,300)	(0.8)	
			2016 7	\$ 1,621,240			
4000	Flood & Pollution Control	\$ 754,606	2017 3	\$ 804,490	\$ 1,650	0.2	
			2016 4	\$ 802,840			
4200	Waterways Control and Stormwater Reservoirs	\$ 442,244	2017 3	\$ 464,200	\$ (28,900)	(5.9)	
			2016 4	\$ 493,100			
4400	Aeration Facilities	\$ 248,346	2017 -	\$ 227,300	\$ 28,900	14.6	
			2016 -	\$ 198,400			
4900	Flood & Pollution Control - Indirect Costs	\$ 64,016	2017 -	\$ 112,990	\$ 1,650	1.5	
			2016 -	\$ 111,340			
5000	Solids Utilization	\$ 956,352	2017 1	\$ 988,875	\$ 10,800	1.1	
			2016 1	\$ 978,075			
5200	Solids Distribution	\$ 186,689	2017 -	\$ 205,700	\$ 5,000	2.5	
			2016 -	\$ 200,700			
5900	Solids Utilization - Indirect Costs	\$ 769,663	2017 1	\$ 783,175	\$ 5,800	0.7	
			2016 1	\$ 777,375			
7000	General Support (excluding program number 7604)	\$ 195,881	2017 1	\$ 264,340	\$ (38,000)	(12.6)	
			2016 1	\$ 302,340			
7604	Social Security and Medicare Contributions	\$ -	2017 -	\$ 338,800	\$ (9,200)	(2.6)	
			2016 -	\$ 348,000			
Totals		\$ 39,114,456	2017 241	\$ 41,687,300	\$ (2,142,800)	(4.9%)	*
			2016 259	\$ 43,830,100			

f) Decrease is due to the reduced demand for electricity for the Hanover Park WRP (\$49,900), the reduced need for natural gas (\$38,500), and the reduced need for mechanical repair parts for the North Service Area (\$38,000).

\* The 2017 position total for the North Service Area is 241, with no positions budgeted in the Stormwater Management Fund.

**67000 M&O - NORTH SERVICE AREA**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
1000-2900	Collection & Treatment					
	Collect and Treat Wastewater at Treatment Facilities and Through a Contract Agreement with the Fox River Water Reclamation District					
	Terrence J. O'Brien Water Reclamation Plant	Mil. Gallons	84,824	89,000	89,000	
		Cost	\$ 17,696,544	\$ 19,896,905	\$ 19,067,605	a)
		Cost/Mil. Gallons	\$ 208.63	\$ 223.56	\$ 214.24	
	John E. Egan Water Reclamation Plant	Mil. Gallons	8,765	10,200	10,200	
		Cost	\$ 5,908,582	\$ 6,358,350	\$ 5,846,700	b)
		Cost/Mil. Gallons	\$ 674.11	\$ 623.37	\$ 573.21	
	Hanover Park Water Reclamation Plant	Mil. Gallons	3,540	3,500	3,500	
		Cost	\$ 2,768,723	\$ 2,603,600	\$ 2,585,100	
		Cost/Mil. Gallons	\$ 782.13	\$ 743.89	\$ 738.60	
	James C. Kirie Water Reclamation Plant	Mil. Gallons	13,373	15,558	14,400	
		Cost	\$ 5,651,375	\$ 6,535,950	\$ 5,824,650	c)
		Cost/Mil. Gallons	\$ 422.60	\$ 420.10	\$ 404.49	
	Fox River Water Reclamation District	Mil. Gallons	2,168	2,000	2,000	
		Cost	\$ 1,378,072	\$ 1,374,800	\$ 1,415,000	
		Cost/Mil. Gallons	\$ 635.64	\$ 687.40	\$ 707.50	
3000	Solids Processing					
	Remove 53,500 Dry Tons of Solids, Transfer 40,000 to SWRP, and Process 13,500 from Concentrated Sewage Through Various Systems	Dry Tons	13,174	15,500	13,500	
		Cost	\$ 3,804,321	\$ 4,629,240	\$ 4,551,740	
		Cost/Dry Ton	\$ 288.77	\$ 298.66	\$ 337.17	

- a) Decrease is due to the transfer of eight FTE positions to the newly created Asset Management Section (AMS) in the M&O General Division (\$872,100), an Assistant Engineer of Treatment Plant Operations II to the M&O Stickney Division (\$167,300), an Associate Mechanical Engineer to the Engineering Department (\$103,200), and the reduced need for repairs to collection facilities (\$120,000), offset by the increased demand for electricity for dry weather pumps (\$420,400).
- b) Decrease is due to the transfer of three FTE positions to the newly created AMS in the M&O General Division (\$329,600), the reduced demand for electricity for pumps and blowers (\$164,700), and the drop of an Assistant Civil Engineer (\$57,600), offset by the increased need for electrical parts and supplies (\$39,000).
- c) Decrease is due to the reduced demand for electricity for pumps and blowers (\$506,700) and reduced salary costs associated with the drop of an Assistant Civil Engineer (\$105,300) and a Laborer Foreman (\$83,100).

**67000 M&O - NORTH SERVICE AREA**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated
4000	Flood & Pollution Control				
	Operation and Maintenance of the Waterways to Minimize Area Flooding and Pollution				
4200	Minimize Area Flooding and Pollution of Lake Michigan Through the Continuous Control of Water Levels in Major Rivers and Canals and the Operation of Detention Reservoirs	Reservoirs	22	22	22
		Cost	\$ 442,244	\$ 493,100	\$ 464,200
		Cost/Reservoir	\$ 20,102.00	\$ 22,413.64	\$ 21,100.00
4400	Aeration Facilities	Cost	\$ 248,346	\$ 198,400	\$ 227,300
4900	Flood & Pollution Control - Indirect Costs	Cost	\$ 64,016	\$ 111,340	\$ 112,990
5000	Solids Utilization				
	Utilize Further Dewatered Sewage for Application at Final Utilization Sites Such as the Fischer Farm at Hanover Park and Other Farm Application Sites	Dry Tons	999	1,000	1,000
		Cost	\$ 956,352	\$ 978,075	\$ 988,875
		Cost/Dry Ton	\$ 957.31	\$ 978.08	\$ 988.88
7000	General Support (excluding program number 7604)				
	Technical and Administrative Support for Other Departments' Activities Indirectly Related to the Operational Activities of Collection and Treatment, Solids Processing, Flood and Pollution Control, and Solids Utilization	Cost	\$ 195,881	\$ 302,340	\$ 264,340
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 348,000	\$ 338,800
Division Total			\$ 39,114,456	\$ 43,830,100	\$ 41,687,300

101 67000	Fund: Corporate Department: Maintenance & Operations Division: North Service Area	LINE ITEM ANALYSIS						
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 23,496,825	\$ 24,676,400	\$ 24,676,400	\$ 16,889,531	\$ 23,070,800	\$ 23,061,800	\$ -
601060	Compensation Plan Adjustments	1,186,643	1,167,900	1,132,800	935,955	1,132,800	1,195,300	-
601070	Social Security and Medicare Contributions	-	348,000	348,000	247,244	337,400	338,800	-
601100	Tuition and Training Payments	36,246	44,800	44,800	28,833	41,300	20,000	-
100	TOTAL PERSONAL SERVICES	24,719,714	26,237,100	26,202,000	18,101,563	24,582,300	24,615,900	-
612010	Travel	3,657	5,500	6,000	5,519	5,400	3,700	-
612030	Meals and Lodging	9,267	12,900	12,900	10,239	12,300	14,200	-
612050	Compensation for Personally-Owned Automobiles	35,059	35,800	35,800	21,175	31,000	30,800	-
612080	Motor Vehicle Operating Services	260	200	200	179	200	200	-
612150	Electrical Energy	7,497,283	8,428,900	8,428,900	4,780,151	8,216,500	8,305,600	-
612160	Natural Gas	455,698	692,100	692,100	267,658	680,000	589,800	-
612170	Water and Water Services	53,301	57,200	54,200	39,115	50,000	53,900	-
612210	Communication Services	106,829	148,400	167,600	167,561	165,000	135,000	-
612240	Testing and Inspection Services	22,977	38,900	38,900	29,835	27,100	31,700	-
612330	Rental Charges	22,451	40,700	9,400	6,070	7,000	12,900	-
612410	Governmental Service Charges	2,999,663	3,006,100	2,803,500	2,207,937	2,709,800	3,086,500	-
612420	Maintenance of Grounds and Pavements	31,552	59,900	66,400	49,904	47,700	35,000	-
612430	Payments for Professional Services	-	-	100	36	100	-	-
612490	Contractual Services, N.O.C.	361	8,000	8,000	2,842	3,200	4,200	-
612520	Waste Material Disposal Charges	508,152	534,400	507,400	502,973	496,400	537,400	-
612530	Farming Services	29,600	29,600	29,600	29,600	29,000	33,200	-
612600	Repairs to Collection Facilities	15,411	160,000	60,700	59,979	43,900	32,400	-
612650	Repairs to Process Facilities	733,349	1,183,700	1,181,400	1,110,054	776,200	1,086,900	-
612680	Repairs to Buildings	153,120	229,100	355,100	355,100	180,000	178,300	-
612760	Repairs to Material Handling and Farming Equipment	3,210	13,900	13,900	10,631	9,200	28,000	-
612780	Safety Repairs and Services	-	-	-	-	-	55,800	-
612860	Repairs to Vehicle Equipment	8,299	6,200	6,200	6,200	5,300	22,900	-
200	TOTAL CONTRACTUAL SERVICES	12,689,500	14,691,500	14,478,300	9,662,757	13,495,300	14,278,400	-
623030	Metals	3,485	10,000	10,000	10,044	9,500	7,000	-
623070	Electrical Parts and Supplies	250,944	442,300	534,300	519,045	414,300	457,200	-

101 67000	Fund: Corporate Department: Maintenance & Operations Division: North Service Area	LINE ITEM ANALYSIS						
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
623090	Plumbing Accessories and Supplies	138,897	148,200	175,200	168,155	168,500	172,400	-
623110	Hardware	14,274	10,600	9,600	6,732	9,100	10,600	-
623130	Buildings, Grounds, Paving Materials, and Supplies	26,584	37,600	37,200	36,906	34,500	27,800	-
623190	Paints, Solvents, and Related Materials	516	2,600	2,600	2,640	1,200	2,600	-
623250	Vehicle Parts and Supplies	5,236	7,500	12,900	11,137	6,300	7,500	-
623270	Mechanical Repair Parts	432,727	580,700	460,700	410,908	404,000	380,800	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	18,492	21,000	20,900	20,897	19,600	18,500	-
623560	Processing Chemicals	490,960	1,371,600	1,201,100	1,173,830	773,800	1,393,800	-
623570	Laboratory Testing Supplies, Small Equipment, and Chemicals	13,941	22,600	12,300	11,839	11,500	25,000	-
623660	Cleaning Supplies	86	200	200	-	100	100	-
623680	Tools and Supplies	52,059	50,700	41,600	36,184	37,500	125,100	-
623780	Safety and Medical Supplies	27,745	23,500	23,500	18,129	19,500	22,900	-
623800	Computer Software	-	-	-	-	-	700	-
623810	Computer Supplies	1,418	7,800	7,800	7,184	7,500	1,500	-
623820	Fuel	9,557	16,200	16,200	8,078	8,500	8,800	-
623840	Gases	689	1,100	1,100	-	600	500	-
623860	Lubricants	1,007	3,600	4,400	3,028	4,200	500	-
623990	Materials and Supplies, N.O.C.	1,933	1,700	1,600	1,500	1,600	1,700	-
300	TOTAL MATERIALS AND SUPPLIES	1,490,549	2,759,500	2,573,200	2,446,237	1,931,800	2,665,000	-
634600	Equipment for Collection Facilities	80,936	50,000	50,000	46,477	42,500	50,000	-
634650	Equipment for Process Facilities	133,757	92,000	105,500	102,030	80,100	72,000	-
634970	Testing and Laboratory Equipment	-	-	-	-	-	6,000	-
400	TOTAL MACHINERY AND EQUIPMENT	214,693	142,000	155,500	148,506	122,600	128,000	-
<b>TOTAL NORTH SERVICE AREA</b>		<b>\$ 39,114,456</b>	<b>\$ 43,830,100</b>	<b>\$ 43,409,000</b>	<b>\$ 30,359,064</b>	<b>\$ 40,132,000</b>	<b>\$ 41,687,300</b>	<b>\$ -</b>

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. For the M&O Department, Expenditure (Committed Budget plus Disbursement) may exceed Adjusted Appropriation for a specific division as funding is controlled at the M&O Overall department-level.

Fund: Corporate Dept: Maintenance & Operations Division: North Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>710</b>	<b>North Service Area Executive Office</b>					
HP22	Assistant Director of Maintenance & Operations	1	1		1	
HP20	Managing Engineer	-	1		1	
HP14	Engineering Technician V	-	-		1	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	1		1	
TOTAL	North Service Area Executive Office	2	3	479,628.24	4	589,362.80
<b>711</b>	<b>North Service Area Budget Control Unit</b>					
HP15	Management Analyst II #2 (Budget & Management Analyst) (New Grade HP14)	1	-		-	
HP14	Budget & Management Analyst	1	2		2	
TOTAL	North Service Area Budget Control Unit	2	2	179,641.80	2	184,360.80
<b>715</b>	<b>Terrence J. O'Brien Water Reclamation Plant Branch</b>					
<b>715</b>	<b>Terrence J. O'Brien Water Reclamation Plant Branch Office</b>					
HP21	Engineer of Treatment Plant Operations I #2 (Managing Engineer) (New Grade HP20)	1	1		1	
TOTAL	Terrence J. O'Brien Water Reclamation Plant Branch Office	1	1	207,059.32	1	207,059.32
<b>720</b>	<b>Plant Engineering &amp; Maintenance Section</b>					
<b>721</b>	<b>Administrative Unit</b>					
HP19	Assistant Engineer of Treatment Plant Operations II #2 (Principal Engineer) (New Grade HP18)	1	1		-	
HP18	Principal Engineer	1	-		-	
HP17	Senior Electrical Engineer	1	1		-	
HP15	Associate Mechanical Engineer	1	1		-	
TOTAL	Administrative Unit	4	3	410,429.76	-	-
<b>743</b>	<b>Buildings &amp; Grounds Unit</b>					
HP14	Engineering Technician V	1	1		1	
HP09	Administrative Clerk	1	1		1	
NR8331	Laborer Foreman	1	1		1	
NR8651	Maintenance Laborer Class A	3	3		3	

Fund: Corporate Dept: Maintenance & Operations Division: North Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
NR8652	Maintenance Laborer Class B	5	5		5	
TOTAL	Buildings & Grounds Unit	11	11	702,090.22	11	726,290.50
<b>722</b>	<b>Mechanical Engineering Unit</b>					
HP18	Principal Mechanical Engineer	1	1		-	
HP15	Associate Mechanical Engineer	1	1		-	
HP14	Assistant Mechanical Engineer	1	1		-	
TOTAL	Mechanical Engineering Unit	3	3	341,416.66	-	-
<b>723</b>	<b>Electrical Engineering Unit</b>					
HP18	Principal Electrical Engineer	1	1		-	
HP17	Senior Electrical Engineer	1	1		-	
HP15	Associate Electrical Engineer	1	1		-	
HP15	Associate Process Control Engineer	1	1		-	
NR6251	Chief Electrical Operator	1	1		1	
NR6233	Electrical Operator II	5	5		5	
NR6232	Electrical Operator I	2	2		2	
TOTAL	Electrical Engineering Unit	12	12	1,228,380.14	8	793,312.00
<b>724</b>	<b>Maintenance Unit</b>					
HP19	Master Mechanic II	-	1		1	
HP18	Master Mechanic I	1	-		-	
HP17	Assistant Master Mechanic	-	4		4	
HP16	Assistant Master Mechanic	4	-		-	
HP12	Engineering Technician IV	1	-		-	
HP09	Administrative Clerk	1	1		1	
TOTAL	Maintenance Unit	7	6	749,077.94	6	754,561.60
<b>760</b>	<b>Area Maintenance Section</b>					
<b>764</b>	<b>Area Maintenance Unit</b>					
PR5933	Architectural Ironworker	2	2		2	

Fund: Corporate Dept: Maintenance & Operations Division: North Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
PR5353	Bricklayer	1	1		1	
PR5153	Carpenter	2	2		2	
PR7425	Electrical Instrument & Testing Mechanic Foreman	1	1		1	
PR7424	Electrical Instrument & Testing Mechanic Leadman	1	1		1	
PR7423	Electrical Instrument & Testing Mechanic	12	12		12	
PR7347	Electrical Mechanic Foreman	1	1		1	
PR7349	Electrical Mechanic Sub-Foreman	1	1		1	
PR7343	Electrical Mechanic	13	13		13	
PR6453	Hoisting Engineer	1	1		1	
PR7579	Machinist Foreman	1	1		1	
PR7575	Machinist Leadman	1	1		1	
PR7573	Machinist	16	16		16	
PR5553	Painter	2	2		2	
PR7779	Pipefitter Foreman	1	1		1	
PR7775	Pipefitter Leadman	1	1		1	
PR7773	Pipefitter	12	12		12	
PR5753	Plumber	2	2		2	
PR5975	Structural Ironworker Leadman	1	1		1	
PR5973	Structural Ironworker	2	2		2	
PR6473	Truck Driver	4	4		4	
TOTAL	Area Maintenance Unit	78	78	7,445,984.00	78	7,612,342.40
TOTAL	Area Maintenance Section	78	78	7,445,984.00	78	7,612,342.40
TOTAL	Plant Engineering & Maintenance Section	115	113	10,877,378.72	103	9,886,506.50
<b>730</b>	<b>Plant Operations Section</b>					
<b>731</b>	<b>Administrative Unit</b>					
HP19	Assistant Engineer of Treatment Plant Operations II #2 (Principal Engineer) (New Grade HP18)	1	1		1	

Fund: Corporate Dept: Maintenance & Operations Division: North Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP12	Engineering Technician IV	1	1		1	
TOTAL	Administrative Unit	2	2	238,245.28	2	238,245.28
<b>732</b>	<b>Treatment Operations Unit</b>					
HP16	Treatment Plant Operator III	1	1		1	
HP14	Treatment Plant Operator II	5	5		5	
HP14	Treatment Plant Operator II #4	2	2		2	
HP12	Treatment Plant Operator I	4	4		4	
NR8650	Maintenance Laborer Class A Shift	4	4		4	
NR8651	Maintenance Laborer Class A	2	2		2	
TOTAL	Treatment Operations Unit	18	18	1,549,735.72	18	1,608,200.88
<b>734</b>	<b>Mechanical Operations Unit</b>					
HP17	Chief Operating Engineer I	1	1		1	
HP16	Assistant Chief Operating Engineer	1	1		1	
NR6810	Fireman-Oiler	6	6		6	
NR6832	Operating Engineer II	8	8		8	
NR6831	Operating Engineer I	5	5		5	
TOTAL	Mechanical Operations Unit	21	21	2,039,908.00	21	2,093,176.80
TOTAL	Plant Operations Section	41	41	3,827,889.00	41	3,939,622.96
TOTAL	Terrence J. O'Brien Water Reclamation Plant Branch	157	155	14,912,327.04	145	14,033,188.78
<b>750</b>	<b>Hanover Park Water Reclamation Plant Section</b>					
<b>751</b>	<b>Administrative Unit</b>					
HP19	Assistant Engineer of Treatment Plant Operations II #2 (Principal Engineer) (New Grade HP18)	1	1		1	
HP11	Administrative Specialist	1	1		1	
TOTAL	Administrative Unit	2	2	238,394.00	2	238,394.00
<b>753</b>	<b>Operations Unit</b>					
HP17	Senior Civil Engineer	1	1		1	
HP16	Treatment Plant Operator III	1	1		1	

Fund: Corporate Dept: Maintenance & Operations Division: North Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Treatment Plant Operator II	5	6		6	
HP14	Treatment Plant Operator II #4	2	1		1	
HP12	Treatment Plant Operator I	5	5		5	
NR6810	Fireman-Oiler	-	-		1	
TOTAL	Operations Unit	14	14	1,292,005.78	15	1,377,919.92
<b>754</b>	<b>Maintenance Unit</b>					
HP17	Senior Mechanical Engineer	1	1		-	
HP15	Associate Electrical Engineer	1	1		-	
NR6810	Fireman-Oiler	1	1		-	
TOTAL	Maintenance Unit	3	3	318,770.92	-	-
<b>755</b>	<b>General Plant Services Unit</b>					
HP14	Engineering Technician V	1	1		1	
NR8651	Maintenance Laborer Class A	1	1		1	
NR8651	Maintenance Laborer Class A #2 (Maintenance Laborer Class B) (New Grade NR8652)	1	1		-	
NR8652	Maintenance Laborer Class B	1	1		2	
TOTAL	General Plant Services Unit	4	4	303,813.12	4	286,486.72
TOTAL	Hanover Park Water Reclamation Plant Section	23	23	2,152,983.82	21	1,902,800.64
<b>780</b>	<b>James C. Kirie Water Reclamation Plant Section</b>					
<b>781</b>	<b>Administrative Unit</b>					
HP20	Managing Engineer	1	1		1	
HP11	Administrative Specialist	1	1		1	
TOTAL	Administrative Unit	2	2	256,899.50	2	208,179.66
<b>783</b>	<b>Operations Unit</b>					
HP18	Principal Engineer	1	2		2	
HP16	Assistant Chief Operating Engineer	1	1		1	
HP16	Treatment Plant Operator III	1	1		1	
HP14	Assistant Civil Engineer	1	1		-	

Fund: Corporate Dept: Maintenance & Operations Division: North Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Treatment Plant Operator II	5	5		5	
HP14	Treatment Plant Operator II #4	2	2		2	
HP12	Treatment Plant Operator I	4	4		4	
NR6810	Fireman-Oiler	2	2		2	
NR8650	Maintenance Laborer Class A Shift	4	4		4	
NR6831	Operating Engineer I	6	6		6	
TOTAL	Operations Unit	27	28	2,669,008.42	27	2,624,119.94
<b>785</b>	<b>General Plant Services Unit</b>					
HP14	Engineering Technician V	-	1		-	
HP14	Engineering Technician V #4	1	-		1	
NR8331	Laborer Foreman	1	1		-	
NR8651	Maintenance Laborer Class A	3	3		3	
NR8651	Maintenance Laborer Class A #2 (Maintenance Laborer Class B) (New Grade NR8652)	1	-		-	
NR8652	Maintenance Laborer Class B	-	1		1	
TOTAL	General Plant Services Unit	6	6	439,134.28	5	394,350.58
TOTAL	James C. Kirie Water Reclamation Plant Section	35	36	3,365,042.20	34	3,226,650.18
<b>790</b>	<b>John E. Egan Water Reclamation Plant Section</b>					
<b>791</b>	<b>Administrative Unit</b>					
HP20	Managing Engineer	1	1		1	
HP18	Principal Engineer	2	2		2	
HP11	Administrative Specialist	1	1		1	
TOTAL	Administrative Unit	4	4	543,969.66	4	547,238.64
<b>793</b>	<b>Operations Unit</b>					
HP16	Assistant Chief Operating Engineer	1	1		1	
HP16	Treatment Plant Operator III #4	1	1		1	
HP14	Assistant Civil Engineer	1	1		-	
HP14	Treatment Plant Operator II	5	7		7	

Fund: Corporate Dept: Maintenance & Operations Division: North Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Treatment Plant Operator II #4	2	-		-	
HP12	Treatment Plant Operator I	4	4		4	
NR6810	Fireman-Oiler	2	3		3	
NR8651	Maintenance Laborer Class A	1	1		1	
NR6832	Operating Engineer II	1	1		1	
NR6831	Operating Engineer I	6	6		6	
TOTAL	Operations Unit	24	25	2,271,735.70	24	2,165,975.24
<b>794</b>	<b>Maintenance Unit</b>					
HP17	Senior Electrical Engineer	1	1		-	
HP17	Senior Mechanical Engineer	1	1		-	
HP15	Associate Process Control Engineer	1	1		-	
HP14	Assistant Electrical Engineer	1	1		-	
HP14	Assistant Mechanical Engineer	1	-		-	
TOTAL	Maintenance Unit	5	4	475,958.08	-	-
<b>795</b>	<b>General Plant Services Unit</b>					
HP14	Engineering Technician V	-	-		1	
HP14	Engineering Technician V #4	1	1		-	
NR8331	Laborer Foreman	1	1		1	
NR8651	Maintenance Laborer Class A	4	4		4	
NR8652	Maintenance Laborer Class B	1	1		1	
TOTAL	General Plant Services Unit	7	7	544,963.38	7	527,159.88
TOTAL	John E. Egan Water Reclamation Plant Section	40	40	3,836,626.82	35	3,240,373.76
TOTAL	Maintenance & Operations North Service Area	259	259	24,926,249.92	241	23,176,736.96

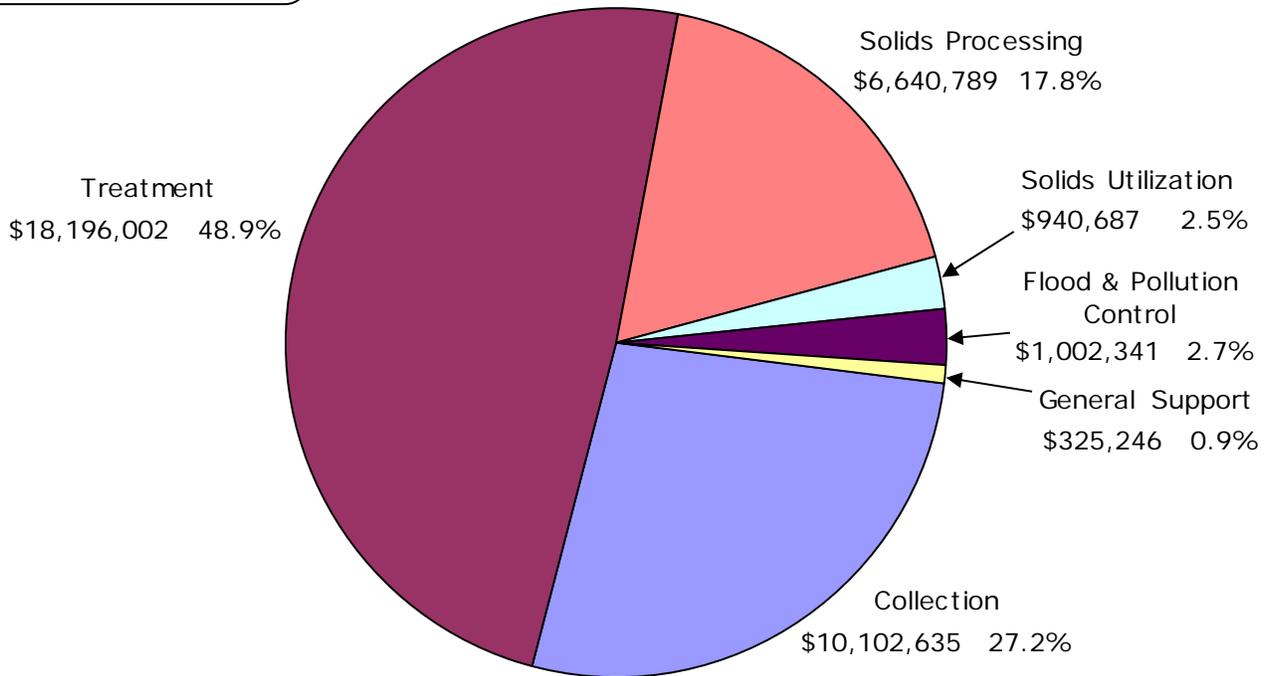
Note: There are no positions budgeted for the Stormwater Management Fund for 2017.

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.

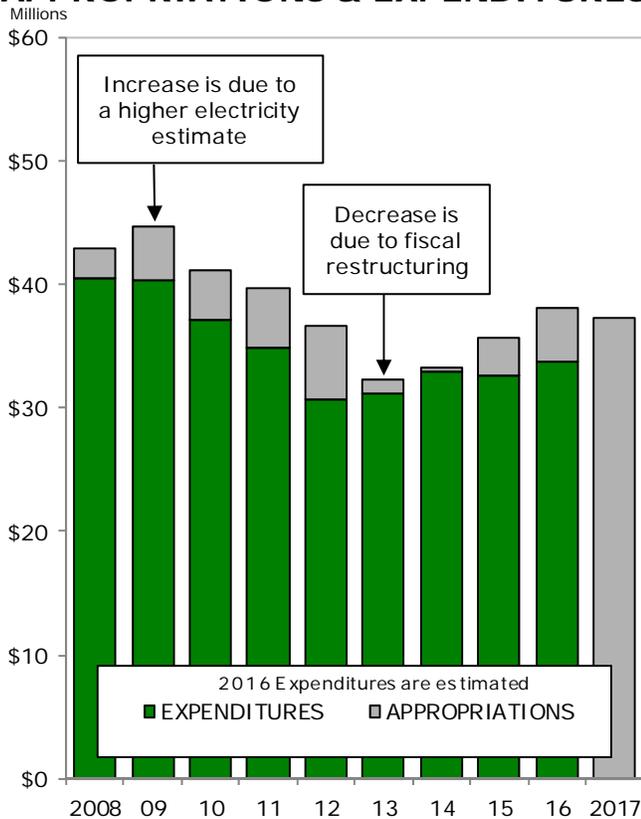
# MAINTENANCE & OPERATIONS – CALUMET SERVICE AREA

2017	\$37,207,700
2016	\$38,039,500
Decrease	(\$831,800)

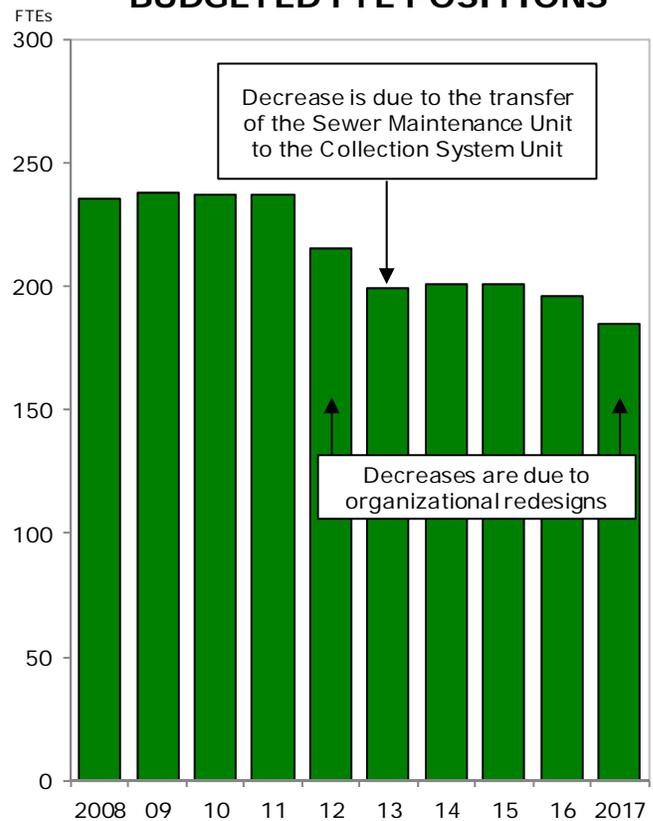
## FUNCTIONS



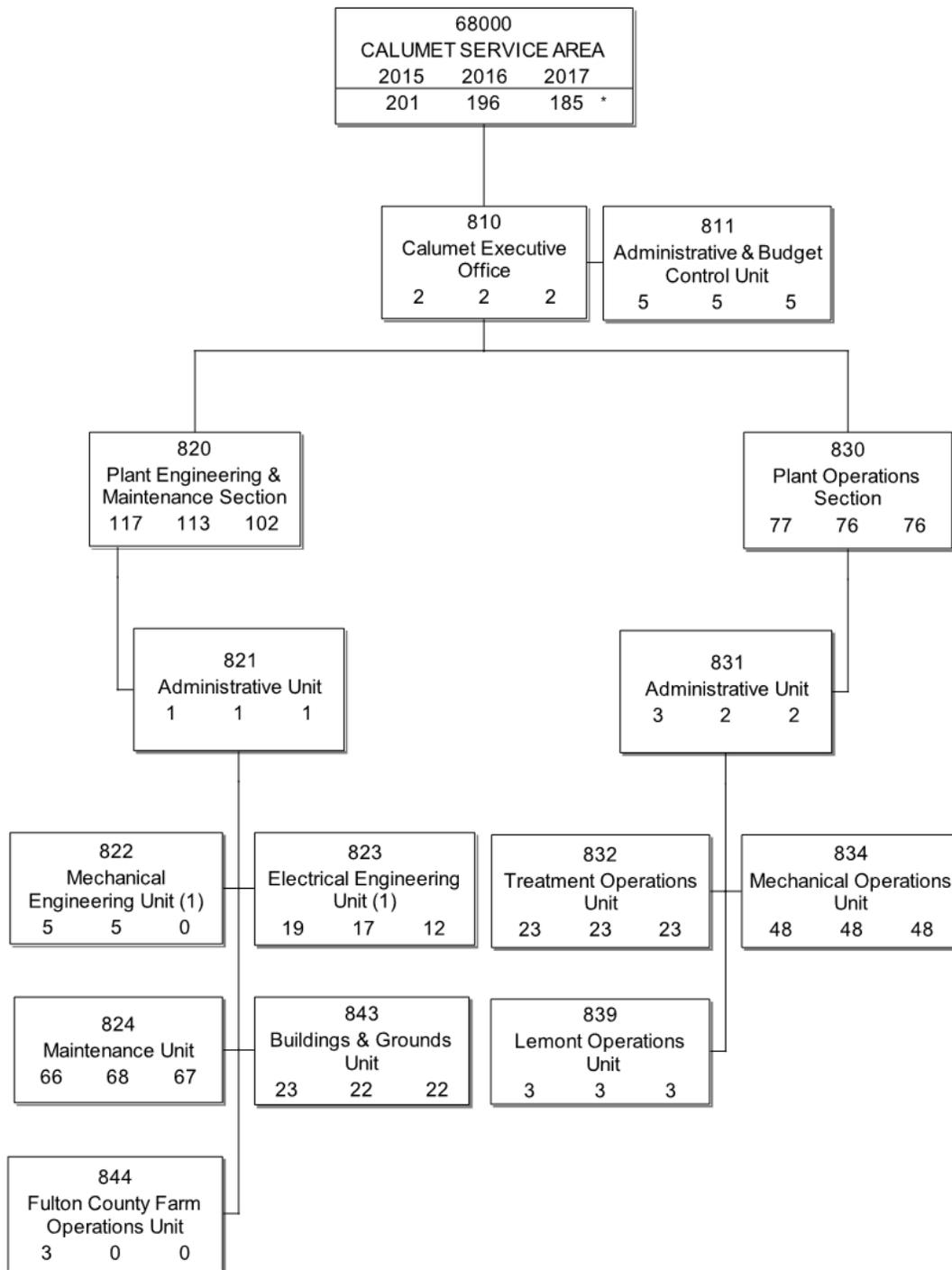
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# MAINTENANCE & OPERATIONS – CALUMET SERVICE AREA



\* In 2017, there are no positions funded by the Stormwater Management Fund.

(1) Effective 01/01/2017, a total of eight positions will be transferred from Units 822 and 823 into Section 681.

## MAINTENANCE & OPERATIONS – CALUMET SERVICE AREA

**The Calumet Service Area (CSA) supports the District’s mission to protect the quality of the water supply and the health and safety of the public, to improve the quality of water in canals, rivers, and streams, to protect businesses and homes from flood damage, and to manage water as a vital resource.**

### Service Area Summary

The CSA collects wastewater discharges from a population equivalent of 1,026,983 people in an area of 324.8 square miles, treating approximately 101 billion gallons of wastewater annually through the Calumet Water Reclamation Plant (WRP) and the Lemont WRP. In order to achieve its mission, the CSA is organized as follows:

**The Calumet Executive Office** provides direction for the entirety of maintenance and operations for the CSA.

**The Plant Engineering & Maintenance Section** is comprised of the Administrative, Electrical Engineering, Maintenance, and Buildings & Grounds Units. It is responsible for ensuring that the collection and process facilities that comprise the CSA perform in an efficient and cost-effective manner and for providing manpower and facility maintenance for solids utilization support. This is achieved by either using CSA trades personnel to perform maintenance and repairs or by using the services of outside contractors.

**The Plant Operations Section** is comprised of the Administrative, Treatment Operations, Mechanical Operations, and Lemont Operations Units. It is responsible for the operation of the collection and process facilities that comprise the CSA, ensuring that the facilities are manned and operated in the most efficient and cost-effective manner possible and that all National Pollutant Discharge Elimination System permit requirements are met.

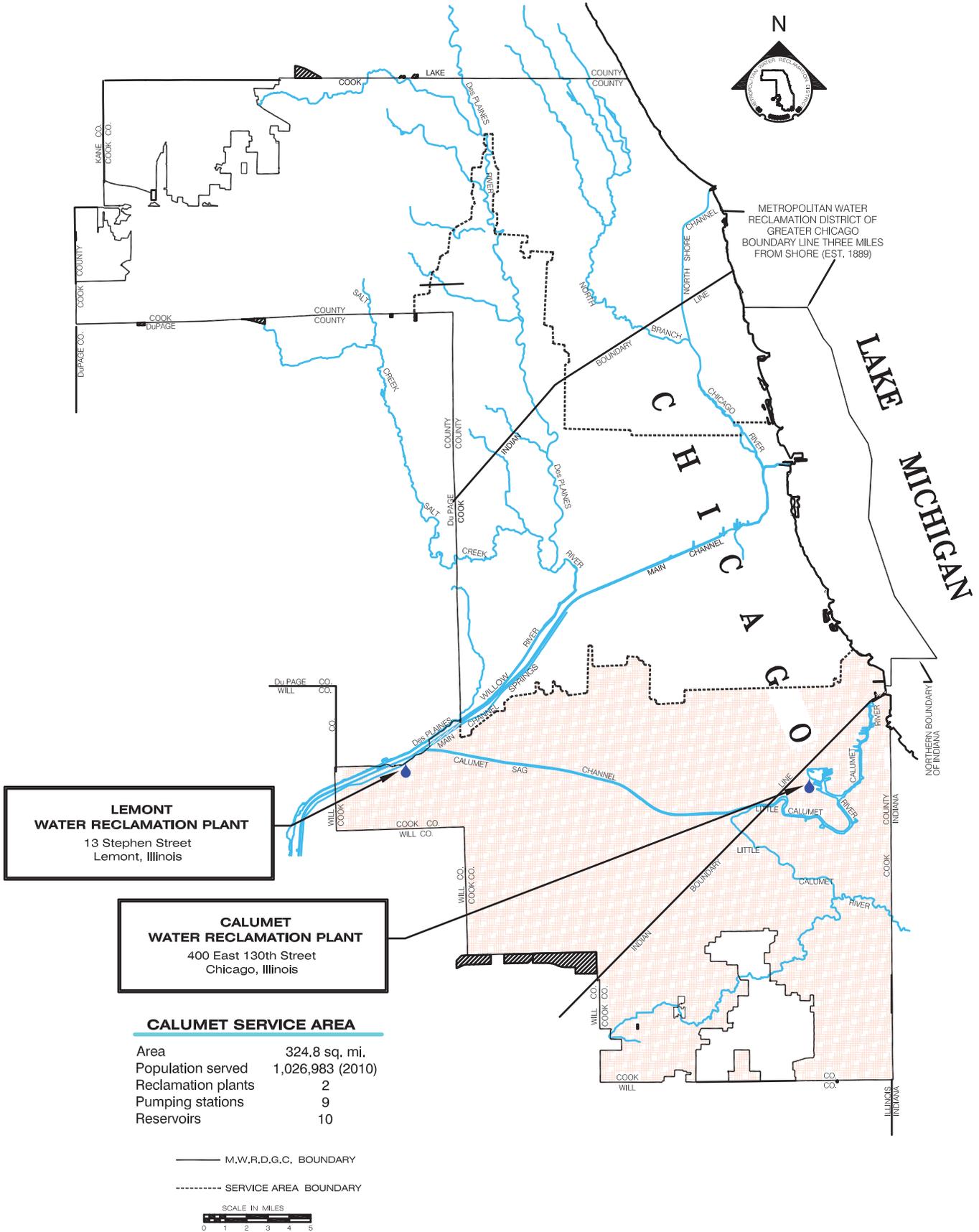
### Summary of 2016 Accomplishments

- Achieved 100 percent National Pollutant Discharge Elimination System permit compliance. Both the Calumet and Lemont WRPs have met 100 percent of all permit requirements for the past 25 and 20 years, respectively;
- Continued the installation of an ammonia control system for the aeration batteries at the Calumet WRP. Work is anticipated to be completed by the end of 2016;
- Began first full season of disinfection of effluent at the Calumet WRP;
- Installed dissolved oxygen control for Sidestream Elevated Pool Aeration Stations;
- Initiated operations of the Lemont Wet Weather Treatment Facility and Reservoir, which was awarded Project of the Year by the Construction Industry Service Corporation;
- Began rehabilitation of the hydraulic operator at the Tunnel and Reservoir Plan Gate Structure No. 1;
- Placed the Thornton Composite Reservoir in service, which will provide more than \$40 million per year in benefits to 556,000 people in 15 communities. This project was also awarded Project of the Year by the National American Public Works Association;
- Upgraded the Foxboro Distributed Control System throughout the plant and outlying stations;
- Adjusted the maintenance plans and schedules to increase the use of in-house trades to perform maintenance work previously performed by contract personnel to reduce the level of outsourcing;
- Continued work to furnish, deliver, and install new tank drives at the Lemont WRP.

### Budget Highlights

The 2017 appropriation for the CSA is \$37,207,700, a decrease of \$831,800, or 2.2 percent, from 2016. The 2017 staffing level is 185 positions, a net decrease of 11 positions from 2016. One Assistant Electrical Engineer, one Associate Mechanical Engineer, and one Pipefitter were dropped upon vacancy. One Administrative Specialist was transferred to the General Division, offset by the transfer in of one Secretary from the General Division. One Managing Engineer was transferred to the Stickney Division, offset by the transfer in of one Engineer of Treatment Plant Operation I. The following positions were transferred to the General Division: one Assistant Mechanical Engineer, two Associate Electrical Engineers, one Associate Mechanical Engineer, one Associate Process Control Engineer, one Principal Mechanical Engineer, one Senior Electrical Engineer, and one Senior Mechanical Engineer.

The Calumet WRP will install a new conveyor for sludge screenings, replace six grit pumps at the aerated grit tanks, paint the Battery C final tanks, improve heating, ventilation, and air conditioning for various computer and control rooms, complete the installation of one gear box at Sidestream Elevated Pool Aeration Station No. 4, and install a turbo blower and tank drives at the Lemont WRP.



**68000 M&O - CALUMET SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. COLLECTION & TREATMENT: The Calumet Service Area will collect and treat approximately 101 billion gallons of wastewater through its Calumet and Lemont treatment facilities.	\$ 28,298,637	76.1%
Design: Flows ^    CBOD *    SS *		
Calumet Water Reclamation Plant	354 MGD	10 mg/1    15 mg/1
Lemont Water Reclamation Plant	2.3 MGD	20 mg/1    25 mg/1
<p>^ In millions of gallons per day (MGD).                      * National Pollutant Discharge Elimination System monthly effluent quality standards:                      CBOD - Carbonaceous Biochemical Oxygen Demand                      SS - Suspended Solids</p>		
2. SOLIDS PROCESSING: The Calumet Service Area will remove and process 40,000 dry tons of concentrated sewage through various systems including heated digestion, centrifuging, concentration, and aging low solids sludge and centrifuge cake in lagoons.	\$ 6,640,789	17.8%
3. SOLIDS UTILIZATION: The Calumet Service Area will provide support to the Solids Management Section to utilize approximately 21,500 dry tons of further dewatered sewage for application at final utilization sites such as daily and final cover in sanitary landfills.	\$ 940,687	2.5%
4. FLOOD & POLLUTION CONTROL: The Calumet Service Area will work to prevent local area flooding through the operation of 10 detention reservoirs, in cooperation with local communities. It will also work to maintain the quality of the waterways system and associated District property, in cooperation with the channel maintenance and debris boat crews.	\$ 1,002,341	2.7%
5. GENERAL SUPPORT: The Calumet Service Area will provide technical and administrative support for other departments not directly related to the operational activities of Collection & Treatment, Solids Processing, Solids Utilization, and Flood & Pollution Control.	\$ 325,246	0.9%
<b>Total</b>	<b>\$ 37,207,700</b>	<b>100.0%</b>

MEASURABLE GOALS:	Unit of Measure	2015 Actual	2016 Estimated	2017 Proposed
1. The Calumet Service Area will collect and treat approximately 101 billion gallons of wastewater in 2017.	Billion Gallons	85	101	101
2. The Calumet Service Area will remove and process solids from 40,000 dry tons of concentrated sewage.	Dry Tons Process Solids	30,309	40,000	40,000
3. The Calumet Service Area will obtain 100 percent permit compliance in 2017 for National Pollutant Discharge Elimination System effluent limits.	Percent	100.00%	100.00%	100.00%
4. The Calumet Service Area will provide support to utilize 21,500 dry tons of biosolids in 2017.	Dry Tons	16,366	21,500	21,500

**68000 M&O - CALUMET SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted			Change		
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent		
1000	Collection	\$ 9,382,464	2017 49	\$ 10,102,635	\$ (771,802)	(7.1)		
			2016 52	\$ 10,874,437				
1100	Surface Interceptor Systems	\$ 555,479	2017 4	\$ 604,200	\$ (15,800)	(2.5)		
			2016 4	\$ 620,000				
1200	Tunnel and Reservoir System	\$ 3,028,753	2017 9	\$ 2,966,600	\$ (300,100)	(9.2)	a)	
			2016 10	\$ 3,266,700				
1300	Pumping Station Facilities	\$ 2,462,313	2017 13	\$ 3,254,500	\$ (234,100)	(6.7)	b)	
			2016 14	\$ 3,488,600				
1900	Collection - Indirect Costs	\$ 3,335,919	2017 23	\$ 3,277,335	\$ (221,802)	(6.3)	c)	
			2016 24	\$ 3,499,137				
2000	Treatment	\$ 13,865,609	2017 81	\$ 17,937,002	\$ 93,193	0.5		
			2016 85	\$ 17,843,809				
2000	Pre-Treatment	\$ 683,424	2017 6	\$ 687,300	\$ 34,500	5.3		
			2016 6	\$ 652,800				
2100	Primary Treatment	\$ 782,465	2017 10	\$ 833,900	\$ (9,700)	(1.2)		
			2016 10	\$ 843,600				
2200	Secondary Treatment	\$ 5,483,512	2017 22	\$ 5,465,000	\$ 611,200	12.6	d)	
			2016 23	\$ 4,853,800				
2300	Tertiary Treatment	\$ 18,557	2017 -	\$ 3,396,400	\$ 99,800	3.0		
			2016 -	\$ 3,296,600				
2900	Treatment - Indirect Costs	\$ 6,897,651	2017 43	\$ 7,554,402	\$ (642,607)	(7.8)	e)	
			2016 46	\$ 8,197,009				

- a) Decrease is due to the completion of a Tunnel and Reservoir Plan (TARP) coarse screen cleaning (\$185,900), the reduced demand for electricity for TARP pumping stations (\$86,600), and reduced salary costs associated with the transfer of one FTE position to the newly created Asset Management Section (AMS) in the M&O General Division (\$94,800), offset by Rockwell remote terminal unit maintenance for TARP control structures (\$23,000).
- b) Decrease is due to reduced demand for electricity for dry weather pumps (\$103,100), battery replacement at the 125th Street Pumping Station completed in 2015 (\$44,000), reduction of electric parts for pumps (\$34,500), and reduced salary costs associated with the transfer of one engineer position to the newly created AMS in the M&O General Division (\$68,200).
- c) Decrease is due to the reduced need for boiler, safety valve, and portable gas detection parts (\$84,750), removal of circuit breaker, boiler, and crane repair (\$49,000), and reduced salary costs associated with the transfer of one FTE position to the newly created AMS in the M&O General Division (\$108,100).
- d) Increase is due to additional electrical utility needs for blower and air mains (\$647,700) and valve operator parts and service (\$45,000), offset by reduced salary costs associated with the transfer of one FTE position to the newly created AMS in the M&O General Division (\$79,100).
- e) Decrease is due to the reduction in the manhours contract (\$292,000), reduction to roof repairs (\$35,000), and reduced salary costs associated with the transfer of three FTE positions to the newly created AMS in the M&O General Division (\$298,400).

**68000 M&O - CALUMET SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted			Change		
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent		
3000	Solids Processing	\$ 6,001,129	2017 45	\$ 6,640,789	\$ 9,932	0.2		
			2016 48	\$ 6,630,857				
3100	Thickening	\$ 835,827	2017 9	\$ 1,191,200	\$ (4,900)	(0.4)		
			2016 9	\$ 1,196,100				
3200	Stabilization	\$ 1,843,047	2017 11	\$ 1,788,700	\$ 104,100	6.2	f)	
			2016 12	\$ 1,684,600				
3300	Dewatering	\$ 396,080	2017 4	\$ 364,500	\$ (55,300)	(13.2)		
			2016 5	\$ 419,800				
3900	Solids Processing - Indirect Costs	\$ 2,926,175	2017 21	\$ 3,296,389	\$ (33,968)	(1.0)		
			2016 22	\$ 3,330,357				
4000	Flood & Pollution Control	\$ 1,081,975	2017 2	\$ 1,002,341	\$ (137,410)	(12.1)		
			2016 3	\$ 1,139,751				
4200	Waterways Control and Stormwater Reservoirs	\$ 230,273	2017 1	\$ 168,900	\$ (24,000)	(12.4)		
			2016 1	\$ 192,900				
4400	Aeration Facilities	\$ 779,799	2017 1	\$ 730,300	\$ (115,100)	(13.6)	g)	
			2016 2	\$ 845,400				
4900	Flood & Pollution Control - Indirect Costs	\$ 71,903	2017 -	\$ 103,141	\$ 1,690	1.7		
			2016 -	\$ 101,451				
5000	Solids Utilization	\$ 1,854,389	2017 6	\$ 940,687	\$ 12,446	1.3		
			2016 6	\$ 928,241				
5100	Solids Drying	\$ 58,838	2017 1	\$ 101,600	\$ 2,600	2.6		
			2016 1	\$ 99,000				
5200	Solids Distribution	\$ 1,146,878	2017 1	\$ 101,600	\$ 2,600	2.6		
			2016 1	\$ 99,000				
5900	Solids Utilization - Indirect Costs	\$ 648,673	2017 4	\$ 737,487	\$ 7,246	1.0		
			2016 4	\$ 730,241				
7000	General Support (excluding program number 7604)	\$ 370,214	2017 2	\$ 325,246	\$ (23,859)	(6.8)		
			2016 2	\$ 349,105				
7604	Social Security and Medicare Contribution	\$ -	2017 -	\$ 259,000	\$ (14,300)	(5.2)		
			2016 -	\$ 273,300				
	Totals	\$ 32,555,780	2017 185	\$ 37,207,700	\$ (831,800)	(2.2%)	*	
			2016 196	\$ 38,039,500				

f) Increase is due to additional electrical utility needs for heated digestion (\$130,700), offset by reduced salary costs associated with the transfer of one FTE position to the newly created AMS in the M&O General Division (\$29,700).

g) Decrease is due to the reduced demand for electricity at Sidestream Elevated Pool Aeration (SEPA) stations (\$28,100), a reduction of electrical parts for outlying facilities and SEPA stations (\$10,000), and salary costs associated with the transfer of one FTE position to the newly created AMS in the M&O General Division (\$76,300).

\* The 2017 position total for the Calumet Service Area is 185, with no positions budgeted in the Stormwater Management Fund.

**68000 M&O - CALUMET SERVICE AREA**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
1000-2900	Collection & Treatment					
	Collect and Treat Wastewater at the Calumet and Lemont Water Reclamation Plants					
	Calumet Water Reclamation Plant	Mil. Gallons	93,141	100,000	100,000	
		Cost	\$ 22,701,840	\$ 28,272,692	\$ 27,596,513	a)
		Cost/Mil. Gallons	\$ 243.74	\$ 282.73	\$ 275.97	
	Lemont Water Reclamation Plant	Mil. Gallons	875	1,000	1,000	
		Cost	\$ 546,233	\$ 445,554	\$ 443,124	
		Cost/Mil. Gallons	\$ 624.27	\$ 445.55	\$ 443.12	
3000	Solids Processing					
	Remove and Process Solids from Concentrated Sewage Through Various Systems Including Heated Digestion, Centrifuging, Concentration, and Aging Low Solids Sludge and Centrifuge Cake in Lagoons	Dry Tons	30,309	40,000	40,000	
		Cost	\$ 6,001,129	\$ 6,630,857	\$ 6,640,789	
		Cost/Dry Ton	\$ 198.00	\$ 165.77	\$ 166.02	
4000	Flood & Pollution Control					
	Operation and Maintenance of the Waterways to Minimize Area Flooding and Pollution					
4200	Minimize Area Flooding and Pollution of Lake Michigan Through the Continuous Control of Water Levels in Major Rivers and Canals and the Operation of Detention Reservoirs	Reservoirs	9	9	10	
		Cost	\$ 230,273	\$ 192,900	\$ 168,900	
		Cost/Reservoir	\$ 25,585.89	\$ 21,433.33	\$ 16,890.00	
4400	Aeration Facilities	Cost	\$ 779,799	\$ 845,400	\$ 730,300	b)
4900	Flood & Pollution Control - Indirect Costs	Cost	\$ 71,903	\$ 101,451	\$ 103,141	
5000	Solids Utilization					
	Utilize Further Dewatered Sewage for Application at Final Utilization Sites, such as for Daily and Final Cover in Sanitary Landfills	Dry Tons	16,366	29,100	21,500	c)
		Cost	\$ 1,854,389	\$ 928,241	\$ 940,687	
		Cost/Dry Ton	\$ 113.31	\$ 31.90	\$ 43.75	c)
7000	General Support (excluding program number 7604)					
	Technical and Administrative Support for Other Departments' Activities Indirectly Related to the Operational Activities of Collection and Treatment, Solids Processing, Flood and Pollution Control, and Solids Utilization	Cost	\$ 370,214	\$ 349,105	\$ 325,246	
7604	Social Security and Medicare Contribution	Cost	\$ -	\$ 273,300	\$259,000	
	Division Total		\$ 32,555,780	\$ 38,039,500	\$ 37,207,700	

- a) Decrease is due to reduced salary costs associated with the transfer of seven FTE positions to the newly created AMS in the M&O General Division (\$757,900), offset by valves for first-stage aeration (\$45,000).
- b) Decrease is due to the reduced demand for electricity (\$28,100) and electric parts (\$10,000) for SEPA stations and reduced salary costs associated with the transfer of one FTE position to the newly created AMS in the M&O General Division (\$79,700).
- c) Decrease is due to an estimation closer to actual utilization during the implementation of the Intergovernmental Agreement for composting materials with the City of Chicago.

101 68000	Fund: Corporate Department: Maintenance & Operations Division: Calumet Service Area	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 17,304,031	\$ 17,981,300	\$ 17,981,300	\$ 12,428,272	\$ 17,162,200	\$ 17,306,100	\$ -
601060	Compensation Plan Adjustments	834,720	824,100	800,100	564,593	800,100	825,600	-
601070	Social Security and Medicare Contributions	-	273,300	273,300	185,892	262,300	259,000	-
601080	Salaries of Nonbudgeted Employees	14,664	-	1,600	1,544	1,600	4,900	-
601100	Tuition and Training Payments	19,389	110,900	110,900	5,233	88,500	52,800	-
601170	Payments for Professional Services	53,433	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	18,226,237	19,189,600	19,167,200	13,185,533	18,314,700	18,448,400	-
612010	Travel	11	26,300	26,300	-	20,000	13,900	-
612030	Meals and Lodging	8,024	47,600	47,600	4,103	35,300	32,300	-
612050	Compensation for Personally-Owned Automobiles	53,413	57,500	57,500	45,836	57,500	45,700	-
612080	Motor Vehicle Operating Services	136	700	700	70	300	100	-
612150	Electrical Energy	8,835,887	9,102,100	9,102,100	5,579,935	8,572,700	9,759,500	-
612160	Natural Gas	346,132	626,200	626,200	328,405	626,200	626,200	-
612170	Water and Water Services	385,783	397,600	389,600	271,153	389,300	398,400	-
612210	Communication Services	96,711	162,000	232,200	232,186	223,000	152,000	-
612240	Testing and Inspection Services	25,285	70,700	70,700	56,034	50,900	62,900	-
612330	Rental Charges	440	19,700	9,700	4,750	1,200	300	-
612410	Governmental Service Charges	99,869	105,400	105,400	97,136	100,000	103,000	-
612420	Maintenance of Grounds and Pavements	613,998	20,000	13,500	-	2,500	20,000	-
612430	Payments for Professional Services	-	-	100	50	100	-	-
612490	Contractual Services, N.O.C.	106,599	21,300	21,300	14,418	12,100	12,300	-
612520	Waste Material Disposal Charges	408,171	417,800	417,800	354,690	385,400	438,600	-
612600	Repairs to Collection Facilities	261,761	399,900	362,700	261,400	301,200	145,100	-
612650	Repairs to Process Facilities	1,800,309	1,690,800	1,693,100	1,657,542	1,324,000	1,349,900	-
612680	Repairs to Buildings	242,058	395,200	350,100	332,289	124,800	285,000	-
612760	Repairs to Material Handling and Farming Equipment	41,518	40,700	40,700	40,700	36,000	50,000	-
612780	Safety Repairs and Services	19,122	20,900	20,900	20,850	20,000	16,300	-
612860	Repairs to Vehicle Equipment	47,985	39,600	39,600	39,025	39,600	30,900	-
612990	Repairs, N.O.C.	3,088	7,300	7,300	6,625	4,800	4,800	-
200	TOTAL CONTRACTUAL SERVICES	13,396,299	13,669,300	13,635,100	9,347,196	12,326,900	13,547,200	-

101 68000	Fund: Corporate Department: Maintenance & Operations Division: Calumet Service Area	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
623030	Metals	9,840	15,900	15,900	13,000	9,900	10,100	-
623070	Electrical Parts and Supplies	199,558	334,400	349,400	320,769	309,400	254,500	-
623090	Plumbing Accessories and Supplies	147,406	241,100	181,700	129,055	163,100	198,000	-
623110	Hardware	3,682	4,300	4,300	3,600	3,600	2,800	-
623130	Buildings, Grounds, Paving Materials, and Supplies	45,335	47,400	44,400	43,963	41,500	42,000	-
623190	Paints, Solvents, and Related Materials	2,413	3,000	3,000	2,958	2,700	2,500	-
623250	Vehicle Parts and Supplies	27,376	29,800	29,800	29,800	27,000	29,800	-
623270	Mechanical Repair Parts	303,088	550,900	471,800	355,151	93,300	645,800	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	8,110	16,200	16,200	15,738	14,300	7,900	-
623530	Farming Supplies	4,949	-	-	-	-	-	-
623560	Processing Chemicals	41,880	3,713,500	3,043,300	3,036,919	2,211,400	3,811,800	-
623660	Cleaning Supplies	1,439	2,300	2,300	2,260	2,000	1,400	-
623680	Tools and Supplies	41,135	52,500	43,000	35,450	38,000	111,400	-
623720	Books, Maps, and Charts	-	200	200	-	-	-	-
623780	Safety and Medical Supplies	30,298	53,500	53,500	17,519	30,800	17,000	-
623810	Computer Supplies	581	400	400	285	400	300	-
623820	Fuel	46,496	41,500	41,500	26,600	26,000	27,200	-
623860	Lubricants	11,493	14,900	14,100	2,000	13,700	3,500	-
623990	Materials and Supplies, N.O.C.	8,165	23,800	17,600	17,600	16,500	13,100	-
300	TOTAL MATERIALS AND SUPPLIES	933,243	5,145,600	4,332,400	4,052,666	3,003,600	5,179,100	-
634650	Equipment for Process Facilities	-	28,000	28,000	12,520	23,200	28,000	-
634860	Vehicle Equipment	-	7,000	7,000	5,597	5,600	5,000	-
400	TOTAL MACHINERY AND EQUIPMENT	-	35,000	35,000	18,117	28,800	33,000	-
TOTAL CALUMET SERVICE AREA		\$ 32,555,780	\$ 38,039,500	\$ 37,169,700	\$ 26,603,513	\$ 33,674,000	\$ 37,207,700	\$ -

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).  
 4. For the M&O Department, Expenditure (Committed Budget plus Disbursement) may exceed Adjusted Appropriation for a specific division as funding is controlled at the M&O Overall department-level.

Fund: Corporate Dept: Maintenance & Operations Division: Calumet Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>810</b>	<b>Calumet Executive Office</b>					
HP22	Assistant Director of Maintenance & Operations	1	1		1	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	1		-	
HP11	Administrative Specialist	-	-		1	
TOTAL	Calumet Executive Office	2	2	301,709.46	2	295,583.60
<b>811</b>	<b>Administrative &amp; Budget Control Unit</b>					
HP14	Budget & Management Analyst	2	2		2	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	-	-		1	
HP11	Administrative Specialist	2	2		1	
HP09	Administrative Clerk	1	1		1	
TOTAL	Administrative & Budget Control Unit	5	5	383,483.36	5	377,482.82
<b>820</b>	<b>Plant Engineering &amp; Maintenance Section</b>					
<b>821</b>	<b>Administrative Unit</b>					
HP20	Managing Engineer	1	1		1	
TOTAL	Administrative Unit	1	1	182,693.68	1	182,693.68
<b>822</b>	<b>Mechanical Engineering Unit</b>					
HP18	Principal Mechanical Engineer	1	1		-	
HP17	Senior Mechanical Engineer	1	1		-	
HP15	Associate Mechanical Engineer	2	2		-	
HP14	Assistant Mechanical Engineer #2 (Engineering Technician IV) (New Grade HP12)	1	1		-	
TOTAL	Mechanical Engineering Unit	5	5	557,274.38	-	-
<b>823</b>	<b>Electrical Engineering Unit</b>					
HP19	Assistant Engineer of Treatment Plant Operations II #2 (Principal Engineer) (New Grade HP18)	1	-		-	
HP17	Senior Electrical Engineer	1	1		-	
HP15	Associate Electrical Engineer	2	2		-	
HP15	Associate Process Control Engineer	1	1		-	
HP14	Assistant Electrical Engineer	1	1		-	

Fund: Corporate Dept: Maintenance & Operations Division: Calumet Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP12	Engineering Technician IV	1	-		-	
NR6251	Chief Electrical Operator	1	1		1	
NR6233	Electrical Operator II	5	5		5	
NR6232	Electrical Operator I	6	6		6	
TOTAL	Electrical Engineering Unit	19	17	1,662,475.10	12	1,168,044.80
<b>824</b>	<b>Maintenance Unit</b>					
HP18	Master Mechanic I	1	1		1	
HP17	Assistant Master Mechanic	-	3		3	
HP16	Assistant Master Mechanic	3	-		-	
PR5353	Bricklayer	1	1		1	
PR5155	Carpenter Leadman	1	1		1	
PR5153	Carpenter	2	2		2	
PR7425	Electrical Instrument & Testing Mechanic Foreman	1	1		1	
PR7423	Electrical Instrument & Testing Mechanic	7	7		7	
PR7347	Electrical Mechanic Foreman	1	1		1	
PR7349	Electrical Mechanic Sub-Foreman	1	1		1	
PR7343	Electrical Mechanic	9	9		9	
PR6453	Hoisting Engineer	3	3		3	
PR6453	Hoisting Engineer #1	-	1		1	
PR7579	Machinist Foreman	1	1		1	
PR7573	Machinist	10	10		10	
PR5553	Painter	2	2		2	
PR7779	Pipefitter Foreman	1	1		1	
PR7773	Pipefitter	9	9		9	
PR7773	Pipefitter #1	-	1		-	
PR5753	Plumber	2	2		2	
PR5975	Structural Ironworker Leadman	1	1		1	

Fund: Corporate Dept: Maintenance & Operations Division: Calumet Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
PR5973	Structural Ironworker	5	5		5	
PR6479	Truck Driver Foreman	1	1		1	
PR6473	Truck Driver	4	4		4	
TOTAL	Maintenance Unit	66	68	6,587,637.42	67	6,641,074.44
	<b>843 Buildings &amp; Grounds Unit</b>					
HP17	Senior Civil Engineer	1	-		-	
HP14	Engineering Technician V	1	-		-	
HP12	Engineering Technician IV	1	2		2	
NR8331	Laborer Foreman	2	2		2	
NR8651	Maintenance Laborer Class A	8	8		8	
NR8652	Maintenance Laborer Class B	10	10		10	
TOTAL	Buildings & Grounds Unit	23	22	1,441,266.58	22	1,483,693.64
	<b>844 Fulton County Farm Operations Unit</b>					
HP12	Agricultural Technician II	1	-		-	
HP11	Agricultural Technician I	1	-		-	
HP11	Administrative Specialist	1	-		-	
TOTAL	Fulton County Farm Operations Unit	3	-	-	-	-
TOTAL	Plant Engineering & Maintenance Section	117	113	10,431,347.16	102	9,475,506.56
	<b>830 Plant Operations Section</b>					
	<b>831 Administrative Unit</b>					
HP21	Engineer of Treatment Plant Operations I #2 (Managing Engineer) (New Grade HP20)	-	-		1	
HP20	Managing Engineer	1	1		-	
HP18	Principal Engineer	1	1		1	
HP14	Assistant Civil Engineer	1	-		-	
TOTAL	Administrative Unit	3	2	342,171.70	2	358,417.02
	<b>832 Treatment Operations Unit</b>					
HP16	Treatment Plant Operator III	1	1		1	

Fund: Corporate Dept: Maintenance & Operations Division: Calumet Service Area		POSITION ANALYSIS				
		2015		2016		2017
						PROPOSED BY THE EXECUTIVE DIRECTOR
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Treatment Plant Operator II	7	7		7	
HP14	Treatment Plant Operator II #4	1	1		1	
HP12	Treatment Plant Operator I	5	5		5	
NR8650	Maintenance Laborer Class A Shift	8	8		8	
NR8651	Maintenance Laborer Class A	1	1		1	
TOTAL	Treatment Operations Unit	23	23	1,948,651.12	23	2,001,189.58
<b>834</b>	<b>Mechanical Operations Unit</b>					
HP17	Chief Operating Engineer I	1	1		1	
HP16	Assistant Chief Operating Engineer	2	2		2	
NR6810	Fireman-Oiler	5	5		5	
NR8650	Maintenance Laborer Class A Shift	7	7		7	
NR6832	Operating Engineer II	12	12		12	
NR6831	Operating Engineer I	18	18		18	
PR6473	Truck Driver	3	3		3	
TOTAL	Mechanical Operations Unit	48	48	4,507,607.78	48	4,628,122.98
<b>839</b>	<b>Lemont Operations Unit</b>					
HP14	Treatment Plant Operator II	1	1		1	
HP12	Treatment Plant Operator I	2	2		2	
TOTAL	Lemont Operations Unit	3	3	247,856.70	3	256,397.96
TOTAL	Plant Operations Section	77	76	7,046,287.30	76	7,244,127.54
TOTAL	Maintenance & Operations Calumet Service Area	201	196	18,162,827.28	185	17,392,700.52

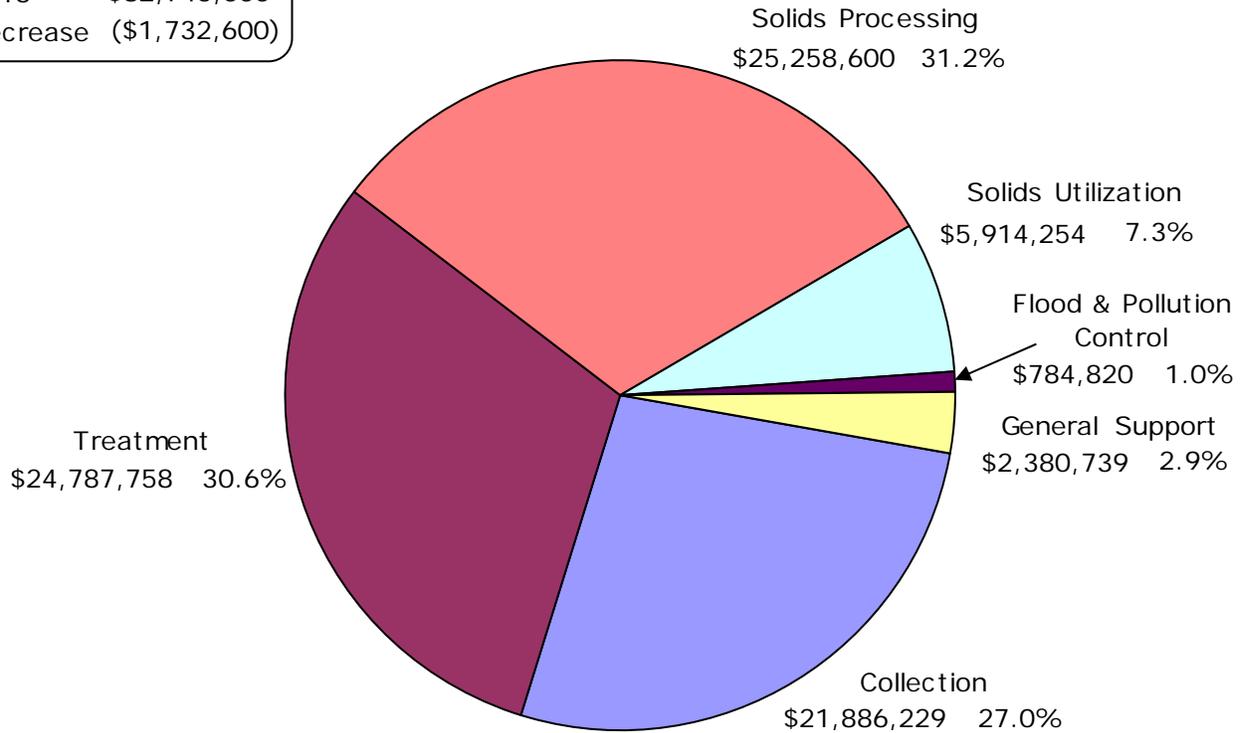
Note: There are no positions budgeted for the Stormwater Management Fund for 2017.

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.

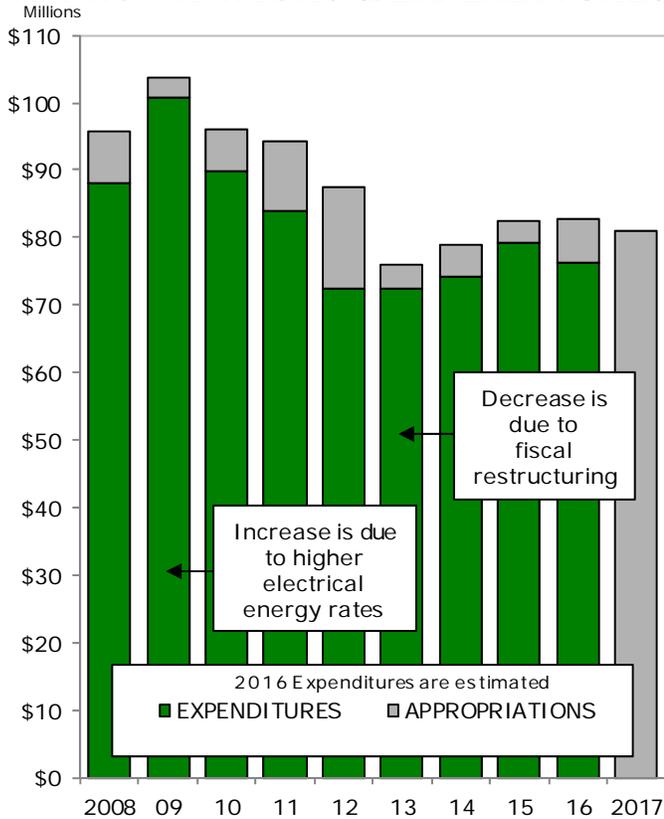
# MAINTENANCE & OPERATIONS – STICKNEY SERVICE AREA

2017	\$81,012,400
2016	\$82,745,000
Decrease	(\$1,732,600)

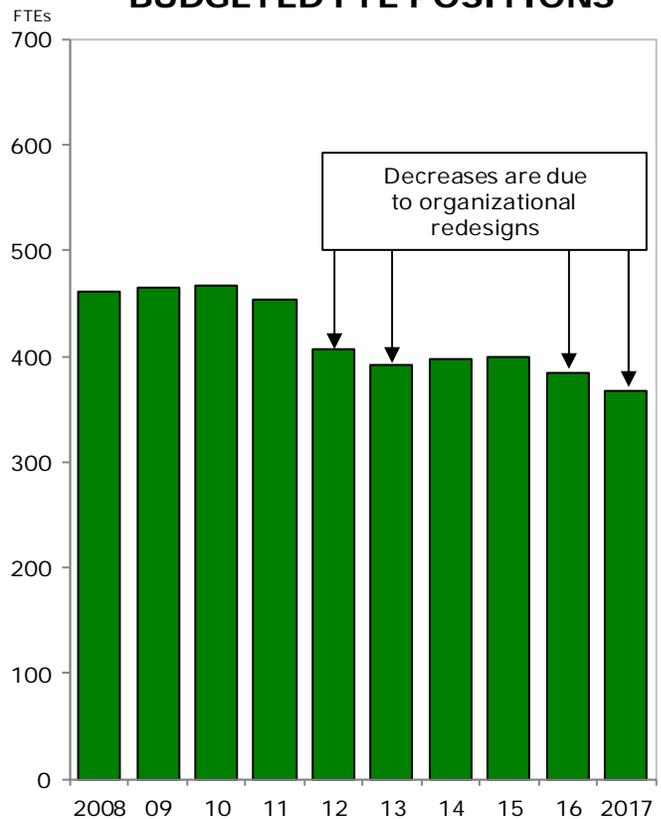
## FUNCTIONS



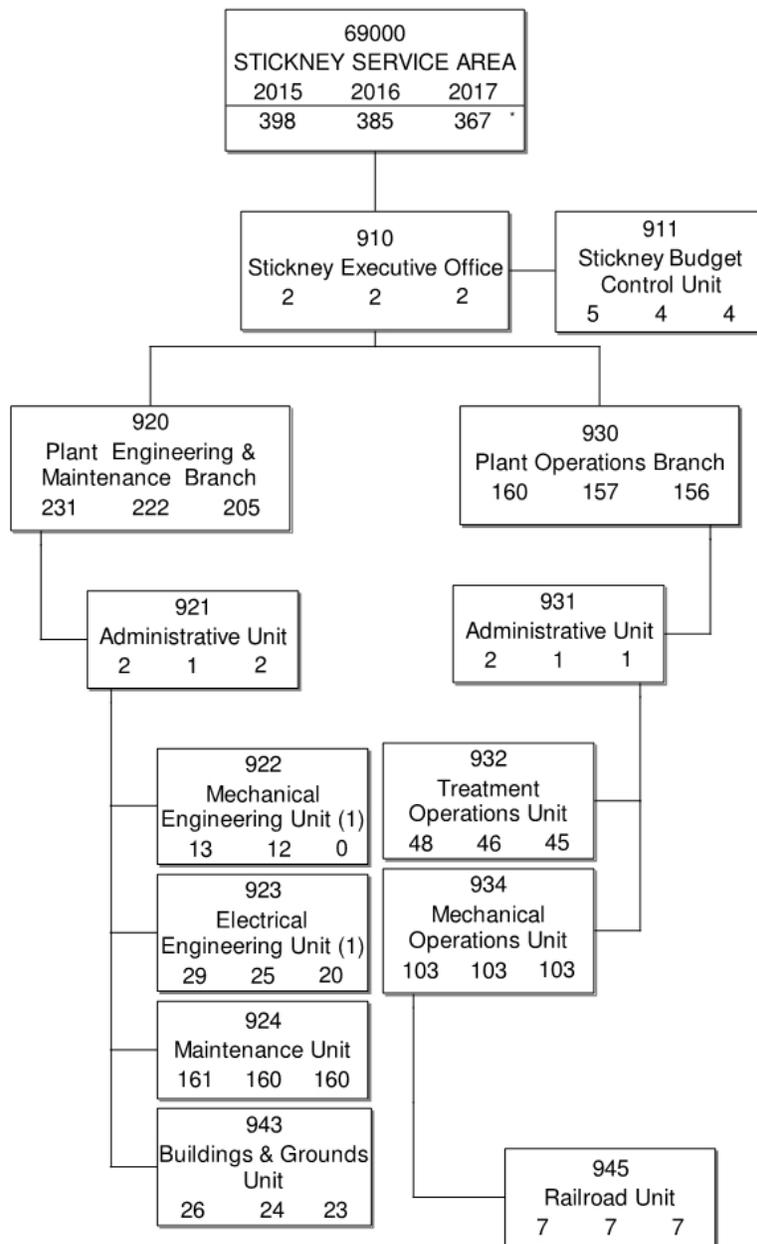
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# MAINTENANCE & OPERATIONS – STICKNEY SERVICE AREA



\* In 2017, nine positions in the Stickney Service Area are funded by the Stormwater Management Fund while the operations remain in the Maintenance & Operations Department, one in Unit 924 and eight in Unit 934.

(1) Effective 01/01/2017, a total of nine positions were transferred from Units 922 and 923 into Section 681.

## MAINTENANCE & OPERATIONS – STICKNEY SERVICE AREA

**The Stickney Service Area (SSA) supports the District’s mission to protect the quality of the water supply and the health and safety of the public, to improve the quality of water in the canals, rivers and streams, to protect businesses and homes from flood damage, and to manage water as a vital resource.**

### Service Area Summary

The SSA’s primary responsibilities include the operation of the largest water reclamation plant in the world, as well as two major pumping stations and four detention reservoirs. The SSA plans to collect and treat approximately 260 billion gallons of wastewater in 2017. In order to accomplish its mission, the SSA is organized as follows:

**The Stickney Executive Office** provides leadership and direction for the operation, maintenance, and development of capital improvement needs in the SSA, ensures adequate funding for ongoing compliance with National Pollutant Discharge Elimination System guidelines and other permit requirements, assesses risk management at the SSA level, and assists the Director of Maintenance & Operations (M&O) in long-term planning and decision making.

**The Plant Engineering & Maintenance Branch** is comprised of the Administrative, Electrical Engineering, Maintenance, and Buildings & Grounds Units. This branch is responsible for ensuring that the collection and process facilities perform in an efficient and cost-effective manner. Maintenance and repairs are performed by a combination of in-house trades personnel and outside contractor services to provide cost-effective operations. The engineering and maintenance units maintain, operate, and repair SSA infrastructure, and architectural and structural elements. The District-wide Buildings & Grounds Unit maintains buildings, roadways, parking lots, and landscaping, secures District property, provides labor support to other sections and/or departments, and participates in capital improvement development and implementation.

**The Plant Operations Branch** is comprised of the Treatment Operations Unit, the Mechanical Operations Unit, and the Railroad Unit. This branch is responsible for the physical operation of the collection and process facilities in the SSA. Efficient and effective operations are measured through daily reporting and permit compliance. Operational integrity and efficiency, as well as worker and public safety, are paramount. The size of the Stickney Water Reclamation Plant and the scope of its operations generate frequent requests for plant tours, which are conducted by operations staff. The Railroad Unit provides for the cost-effective transportation of centrifuged biosolids to the Lawndale Avenue Solids Management Area facility. All units utilize a combination of in-house staff and outside contractor services to provide for cost-effective operations.

### Summary of 2016 Accomplishments

- Awarded a contract to rehabilitate a three megawatt gas turbine, which will be utilized as an alternate energy source;
- Adjusted maintenance plans and schedules to increase the use of in-house trades and laborers to perform maintenance work previously performed by contract personnel to reduce the amount of outsourcing, including landscaping and heating, ventilating, and air conditioning work;
- Completed installation of ammonia probes to optimize aeration process efficiency;
- Installed Blower No. 2 motor, at a total cost of \$3.2 million, which will reduce yearly electrical energy costs by approximately \$880,000, resulting in a payback period of four years or less;
- Initiated a phosphorus recovery process, which will produce up to seven tons of crystalline pellets per day;
- Replaced two 6,000,000 BTU digester sludge heat exchangers and hot water convertor bundles.

### Budget Highlights

The 2017 appropriation for the SSA is \$81,012,400, a decrease of \$1,732,600, or 2.1 percent, from 2016. The 2017 Corporate Fund staffing level is 367 positions, a net decrease of 18 positions from 2016. The decrease results from elimination of the following positions: one Associate Civil Engineer and one Assistant Mechanical Engineer, and transfers of two positions to the Engineering Department, nine positions to the Asset Management Section, five positions to the Monitoring and Research Department, one Engineering Technician V to the North Service Area, offset by a transfer of one Assistant Engineer of Treatment Plant Operations from the North Service Area. Nine positions are funded by the Stormwater Management Fund.

The SSA budget achieves the District’s strategic goals as follows: Add Value via employee training and the resultant insourcing of work previously contracted; Excellence through energy-saving projects such as ammonia monitoring enhancements and new aeration controls to reduce blower operation costs; Resource Recovery via phosphorus capture and the rehabilitation of gas turbines to best use digester gas; Develop Employees as shown by M&O redesigned engineering work groups, structured to optimize employee performance and work distribution systems; Leading Partnerships through our work with Ostara Nutrient Recovery; and Technology as demonstrated by above mentioned projects and numerous smaller-scale initiatives.



**69000 M&O - STICKNEY SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. COLLECTION & TREATMENT: The Stickney Service Area will collect and treat approximately 260 billion gallons of wastewater through its treatment facilities.	\$ 46,673,987	57.6%
Design: Flows ^ CBOD * SS *		
Stickney Water Reclamation Plant 1,200 MGD 10 mg/l 12 mg/l		
^ In millions of gallons per day (MGD).		
* National Pollutant Discharge Elimination System (NPDES) monthly effluent quality standards:		
CBOD - Carbonaceous Biochemical Oxygen Demand		
SS - Suspended Solids		
2. SOLIDS PROCESSING: The Stickney Service Area will remove 90,000 dry tons and process solids from 130,000 dry tons of concentrated sewage (includes 40,000 dry tons from North Service Area) through various systems including heated digestion, centrifuging, concentration, and aging low solids sludge and centrifuge cake in lagoons.	\$ 25,258,600	31.2%
3. SOLIDS UTILIZATION: The Stickney Service Area will provide support to the Solids Management Section to utilize 60,000 dry tons of dewatered sewage for application at final utilization sites, such as farm application, and as daily and final cover in sanitary landfills.	\$ 5,914,254	7.3%
4. FLOOD & POLLUTION CONTROL: The Stickney Service Area will work to prevent local area flooding through the operation of four detention reservoirs, in cooperation with local communities. It will also work to maintain the quality of the waterways system and associated District property, in cooperation with the debris boats and the channel maintenance and debris boat crews.	\$ 784,820	1.0%
5. GENERAL SUPPORT: The Stickney Service Area will provide technical and administrative support for other departments not directly related to the operational activities of Collection & Treatment, Solids Processing, Solids Utilization, and Flood & Pollution Control.	\$ 2,380,739	2.9%
<b>Total</b>	<b>\$ 81,012,400</b>	<b>100.0%</b>

MEASURABLE GOALS:	Unit of Measure	2015 Actual	2016 Estimated	2017 Proposed
1. The Stickney Service Area will collect and treat approximately 260 billion gallons of wastewater in 2017.	Billion Gallons	257	265	260
2. The Stickney Service Area will remove and process solids from 130,000 dry tons of concentrated sewage, including 40,000 dry tons transferred from the North Service Area.	Dry Tons Process Solids	128,777	135,000	130,000
3. The Stickney Service Area will obtain 100 percent permit compliance in 2017 for NPDES effluent limits.	Percent	99.94%	99.94%	100.00%
4. The Stickney Service Area will provide support to utilize 60,000 dry tons of biosolids in 2017 (does not include Pelletizer Facility Operations).	Dry Tons	55,892	60,000	60,000

**69000 M&O - STICKNEY SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted		Change		
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent	
1000	Collection	\$ 17,551,147	2017 80	\$ 21,886,229	\$ 1,433,305	7.0	
			2016 83	\$ 20,452,924			
1100	Surface Interceptor Systems	\$ 451,108	2017 2	\$ 403,500	\$ (3,500)	(0.9)	
			2016 2	\$ 407,000			
1200	Tunnel and Reservoir System	\$ 4,719,655	2017 12	\$ 5,916,400	\$ 985,000	20.0	a)
			2016 12	\$ 4,931,400			
1300	Pumping Station Facilities	\$ 4,223,413	2017 25	\$ 7,145,900	\$ 154,400	2.2	b)
			2016 27	\$ 6,991,500			
1900	Collection - Indirect Costs	\$ 8,156,971	2017 41	\$ 8,420,429	\$ 297,405	3.7	c)
			2016 42	\$ 8,123,024			
2000	Treatment	\$ 28,424,318	2017 126	\$ 24,279,058	\$ (2,643,365)	(9.8)	
			2016 133	\$ 26,922,423			
2000	Pre-Treatment	\$ 2,222,882	2017 19	\$ 2,148,100	\$ (173,900)	(7.5)	d)
			2016 20	\$ 2,322,000			
2100	Primary Treatment	\$ 1,999,079	2017 21	\$ 1,880,700	\$ (103,100)	(5.2)	e)
			2016 22	\$ 1,983,800			
2200	Secondary Treatment	\$ 11,482,121	2017 28	\$ 7,337,100	\$ (1,657,600)	(18.4)	f)
			2016 29	\$ 8,994,700			
2300	Tertiary Treatment	\$ 43,448	2017 -	\$ 43,800	\$ 900	2.1	
			2016 -	\$ 42,900			
2900	Treatment - Indirect Costs	\$ 12,676,788	2017 58	\$ 12,869,358	\$ (709,665)	(5.2)	g)
			2016 62	\$ 13,579,023			

- a) Increase is due to higher electric energy usage at the Mainstream Pumping Station (MSPS) and Tunnel and Reservoir Plan (TARP) structures (\$1,042,000), offset by reductions in replacement parts for TARP Remote Terminal Unit (\$37,800) and power distribution and control parts (\$15,000).
- b) Increase is due to higher electric energy usage at the Stickney Water Reclamation Plant pumping stations (\$299,100), offset by reductions to salaries due to the transfer of one FTE position to the newly created Asset Management Section (AMS) in the M&O General Division (\$147,400).
- c) Increase is due to the replacement of electrical parts for the Distributed Control System (\$300,000), 15-611-11, Repairs and Alterations to Plant Facilities (\$117,200), increased demand for water services at MSPS (\$61,400), services for the fire detection system (\$36,900), and tools for trades (\$22,200), offset by reductions to 13-970-11, Janitorial Services (\$246,000).
- d) Decrease is due to 15-613-11, Scavenger Service (\$96,500) and the transfer of one FTE position to the Monitoring & Research Department (\$83,000).
- e) Decrease is due to the transfer of one FTE position to the newly created AMS in the M&O General Division (\$96,100).
- f) Decrease is due to the reduced demand for electrical energy for aeration blowers (\$1,737,800), offset by an increase to immediate repair services (\$81,300).
- g) Decrease is due to the transfer of four FTE positions to other departments (\$473,900), and 15-611-11, Repairs and Alterations to Plant Facilities (\$296,800), offset by increases to mechanical and electrical parts for treatment process (\$39,700).

**69000 M&O - STICKNEY SERVICE AREA**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted		Change		
Number	Name	Actuals	FTEs	Dollars	Dollars	Percent	
3000	Solids Processing	\$ 23,795,725	2017 126	\$ 25,258,600	\$ 1,302,526	5.4	
			2016 133	\$ 23,956,074			
3100	Thickening	\$ 4,529,242	2017 25	\$ 4,162,000	\$ 26,600	0.6	
			2016 26	\$ 4,135,400			
3200	Stabilization	\$ 3,422,654	2017 25	\$ 3,468,100	\$ 107,600	3.2	h)
			2016 26	\$ 3,360,500			
3300	Dewatering	\$ 9,459,100	2017 28	\$ 10,764,900	\$ 1,486,700	16.0	i)
			2016 29	\$ 9,278,200			
3900	Solids Processing - Indirect Costs	\$ 6,384,729	2017 48	\$ 6,863,600	\$ (318,374)	(4.4)	j)
			2016 52	\$ 7,181,974			
4000	Flood & Pollution Control	\$ 579,636	2017 4	\$ 784,820	\$ 61,892	8.6	
			2016 4	\$ 722,928			
4200	Waterways Control and Stormwater Reservoirs	\$ 212,481	2017 2	\$ 223,400	\$ 37,900	20.4	k)
			2016 2	\$ 185,500			
4900	Flood & Pollution Control - Indirect Costs	\$ 367,155	2017 2	\$ 561,420	\$ 23,992	4.5	
			2016 2	\$ 537,428			
5000	Solids Utilization	\$ 6,679,517	2017 13	\$ 5,914,254	\$ (1,861,662)	(23.9)	
			2016 14	\$ 7,775,916			
5100	Solids Drying	\$ 181,696	2017 2	\$ 152,400	\$ 3,900	2.6	
			2016 2	\$ 148,500			
5200	Solids Distribution	\$ 4,497,682	2017 1	\$ 3,991,000	\$ (1,800,100)	(31.1)	l)
			2016 2	\$ 5,791,100			
5900	Solids Utilization - Indirect Costs	\$ 2,000,139	2017 10	\$ 1,770,854	\$ (65,462)	(3.6)	
			2016 10	\$ 1,836,316			
7000	General Support (excluding program number 7604)	\$ 2,330,141	2017 18	\$ 2,380,739	\$ 20,804	0.9	
			2016 18	\$ 2,359,935			
7604	Social Security and Medicare Contributions	\$ -	2017 -	\$ 508,700	\$ (46,100)	(8.3)	
			2016 -	\$ 554,800			
Totals		\$ 79,360,484	2017 367	\$ 81,012,400	\$ (1,732,600)	(2.1%)	*
			2016 385	\$ 82,745,000			

- h) Increase is due to the electric energy demand for digesters (\$62,300), salary adjustments to more accurately reflect current activities (\$15,300), plumbing supplies for solid process heat digesters (\$15,000), and electrical and mechanical repair parts for solid process heat digesters (\$15,000).
- i) Increase is due to the higher demand for various chemicals including 15-633-11, Polymer (\$797,100), 15-934-11, F&D Magnesium Chloride (\$348,600), parts for dewatering centrifuges (\$300,000), and electric energy for post-digestion centrifuges (\$112,200), offset by reductions for 16-656-11, Repairs to Rockwell Equipment (\$14,000), Ostara project bags and pallets (\$28,000), and parts for pumps for the phosphorus recovery system (\$20,000).
- j) Decrease is due to staffing changes including the transfer of one FTE position to the newly created AMS in the M&O General Division (\$151,500), and three FTE positions across divisions and departments (\$329,400), offset by an increase in electric energy services (\$43,500), and services for fire detection systems (\$37,000).
- k) Increase is due to 16-654-11, Parts and Services for Limitorque Valve Actuators (\$62,000), offset by a reduction in salaries due to the transfer of positions to the newly created AMS (\$27,100).
- l) Decrease is due to reduced requests for services under 98-RFP-10, Maintain and Operate Pelletizer Facility (\$1,795,700).

\* The 2017 position total for the Stickney Service Area is 367, with nine positions budgeted in the Stormwater Management Fund.

**69000 M&O - STICKNEY SERVICE AREA**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
1000-2900	Collection & Treatment					
	Collect and Treat Wastewater at the Stickney Water Reclamation Plant	Mil. Gallons	257,214	265,000	260,000	a)
		Cost	\$ 45,975,465	\$ 47,375,347	\$ 46,165,287	
		Cost/Mil. Gallons	\$ 178.74	\$ 178.77	\$ 177.56	
3000	Solids Processing					
	Remove 90,000 Dry Tons of Solids and Process 130,000 Dry Tons of Solids (Includes 40,000 Dry Tons from North Service Area) from Concentrated Sewage Through Various Systems Including Heated Digestion, Centrifuging, Concentration, and Aging Low Solids Sludge and Centrifuge Cake in Lagoons	Dry Tons	128,777	135,000	130,000	b)
		Cost	\$ 23,795,725	\$ 23,956,074	\$ 25,258,600	
		Cost/Dry Ton	\$ 184.78	\$ 177.45	\$ 194.30	
4000	Flood & Pollution Control					
	Operation and Maintenance of the Waterways to Minimize Area Flooding and Pollution					
4200	Minimize Area Flooding and Pollution of Lake Michigan Through the Continuous Control of Water Levels in Major Rivers and Canals and the Operation of Detention Reservoirs	Reservoirs	4	4	4	c)
		Cost	\$ 212,481	\$ 185,500	\$ 223,400	
		Cost/Reservoir	\$ 53,120.25	\$ 46,375.00	\$ 55,850.00	
4900	Flood & Pollution Control - Indirect Costs	Cost	\$ 367,155	\$ 537,428	\$ 561,420	
5000	Solids Utilization					
	Utilize Further Dewatered Sewage for Application at Final Utilization Sites Such as Daily Cover for Chicago Industrial Dump Landfill, Final Cover of Landfills, and Farm/Land Application	Dry Tons	55,892	60,000	60,000	d)
		Cost	\$ 2,358,759	\$ 2,141,016	\$ 2,024,854	
		Cost/Dry Ton	\$ 42.20	\$ 35.68	\$ 33.75	
5271	Pelletizer Disposal	Dry Tons	36,672	45,000	40,000	e)
	Control Management and Disposal of Solids by Private Contracts	Cost	\$ 4,320,758	\$ 5,634,900	\$ 3,889,400	
		Cost/Dry Ton	\$ 117.82	\$ 125.22	\$ 97.24	
7000	General Support (excluding program number 7604)					
	Technical and Administrative Support for Other Departments' Activities Indirectly Related to the Operational Activities of Collection and Treatment, Solids Processing, Flood and Pollution Control, and Solids Utilization	Cost	\$ 2,330,141	\$ 2,359,935	\$ 2,380,739	
7604	Social Security and Medicare Contributions		\$ -	\$ 554,800	\$508,700	
Division Total			\$ 79,360,484	\$ 82,745,000	\$81,012,400	

- a) Decrease is due to staffing changes including the transfer of six FTE positions to the newly created AMS in the M&O General Division (\$739,000), a net decrease in electric energy demand (\$335,700), 13-970-11, Janitorial Services (\$246,000), and 15-611-11, Repairs and Alterations to Plant Facilities (\$179,600), offset by the increase for Distributed Control Systems parts (\$300,000).
- b) Increase is due to the higher demand for various chemicals including 15-632-11, Polymer (\$863,200), 15-934-11, Magnesium Chloride (\$348,600), parts for dewatering centrifuges (\$300,000), and electric energy at the Stickney Water Reclamation Plant (\$280,300), offset by decreases due to staffing changes including the transfer of three FTE positions to the newly created AMS in the M&O General Division, and one FTE position to the Engineering Department (\$445,800).
- c) Increase is due to higher demand for 16-654-11, Parts and Services for Limitorque Valve Actuators (\$62,000), offset by a reduction in salaries due to the transfer of positions to the newly created AMS (\$27,100).
- d) Decrease is due to the completion of 16-917-11, Locomotive #4 Axle Repair (\$90,000), and reduced requests for water service related to the Harlem Avenue Solids Management Area (\$50,000), offset by the increases to 14-986-11, Locomotive Preventive Maintenance and Repairs (\$25,000).
- e) Decrease is due to reduced requests for services for 98-RFP-10, Maintain and Operate Pelletizer Facility (\$1,795,700).

101 69000	Fund: Corporate Department: Maintenance & Operations Division: Stickney Service Area	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 34,760,198	\$ 36,236,600	\$ 36,236,600	\$ 25,192,195	\$ 34,575,300	\$ 34,950,400	\$ -
601060	Compensation Plan Adjustments	2,030,760	1,915,600	1,859,700	1,595,931	1,850,000	2,115,500	-
601070	Social Security and Medicare Contributions	-	554,800	554,800	378,926	554,000	508,700	-
601080	Salaries of Nonbudgeted Employees	4,566	-	-	-	-	10,200	-
601100	Tuition and Training Payments	91,203	148,000	148,000	85,010	135,000	177,000	-
601170	Payments for Professional Services	97,959	-	-	-	-	-	-
100	TOTAL PERSONAL SERVICES	36,984,685	38,855,000	38,799,100	27,252,062	37,114,300	37,761,800	-
612010	Travel	2,926	13,300	13,300	3,304	6,000	15,000	-
612030	Meals and Lodging	13,499	28,000	28,000	11,635	10,700	18,000	-
612050	Compensation for Personally-Owned Automobiles	77,721	84,700	84,700	48,248	72,000	64,100	-
612080	Motor Vehicle Operating Services	216	700	600	168	600	1,000	-
612150	Electrical Energy	18,469,408	18,621,100	18,621,100	12,098,639	18,621,100	18,633,200	-
612160	Natural Gas	1,157,716	1,500,000	1,500,000	840,240	1,500,000	1,565,700	-
612170	Water and Water Services	1,184,534	1,242,200	1,233,200	875,777	1,215,000	1,254,700	-
612210	Communication Services	75,045	127,100	142,700	142,685	114,100	117,000	-
612240	Testing and Inspection Services	130,416	55,500	55,500	26,389	53,000	61,500	-
612330	Rental Charges	120,652	128,800	169,900	141,097	167,000	146,500	-
612410	Governmental Service Charges	89,880	89,500	89,500	73,000	89,500	89,700	-
612420	Maintenance of Grounds and Pavements	872,620	312,700	174,400	171,222	170,000	215,100	-
612430	Payments for Professional Services	-	18,000	18,000	18,000	18,000	18,000	-
612490	Contractual Services, N.O.C.	345,024	381,500	378,900	344,301	340,000	81,600	-
612520	Waste Material Disposal Charges	563,725	680,000	680,000	680,000	600,000	606,500	-
612590	Sludge Disposal	3,604,252	5,000,000	5,000,000	5,000,000	2,598,800	3,204,300	-
612600	Repairs to Collection Facilities	1,959,053	2,126,100	2,091,600	1,975,059	1,160,000	2,206,300	-
612620	Repairs to Waterway Facilities	14,986	3,000	3,000	-	3,000	10,000	-
612650	Repairs to Process Facilities	3,436,475	2,743,700	2,743,700	2,685,667	1,953,800	2,495,200	-
612670	Repairs to Railroads	263,900	478,700	478,700	476,333	345,000	302,600	-
612680	Repairs to Buildings	343,865	575,300	500,300	498,609	320,000	547,500	-

101 69000	Fund: Corporate Department: Maintenance & Operations Division: Stickney Service Area	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
612760	Repairs to Material Handling and Farming Equipment	12,407	34,600	34,600	32,100	30,000	-	-
612780	Safety Repairs and Services	100,053	166,700	159,900	128,512	110,000	283,000	-
612840	Communications Equipment Maintenance (Includes Software)	-	15,000	15,000	9,900	-	-	-
612860	Repairs to Vehicle Equipment	9,220	25,600	25,600	25,175	23,000	15,700	-
612990	Repairs, N.O.C.	1,006	10,700	10,700	9,934	9,900	11,800	-
200	TOTAL CONTRACTUAL SERVICES	32,848,599	34,462,500	34,252,900	26,315,993	29,530,500	31,964,000	-
623030	Metals	25,751	14,100	14,100	12,000	9,200	17,900	-
623070	Electrical Parts and Supplies	785,293	627,100	677,100	667,203	677,100	1,073,300	-
623090	Plumbing Accessories and Supplies	298,009	337,600	332,600	314,774	332,600	271,600	-
623110	Hardware	2,447	6,000	4,700	500	4,500	2,500	-
623130	Buildings, Grounds, Paving Materials, and Supplies	50,835	63,700	68,200	67,828	65,000	64,200	-
623170	Fiber, Paper, and Insulation Materials	8,837	15,000	15,000	9,800	5,000	14,100	-
623190	Paints, Solvents, and Related Materials	1,897	4,400	4,400	2,000	2,000	1,900	-
623250	Vehicle Parts and Supplies	19,253	64,100	58,700	58,340	55,000	48,300	-
623270	Mechanical Repair Parts	1,279,322	903,500	903,500	902,002	815,000	1,144,100	-
623300	Manhole Materials	9,863	-	8,500	-	8,400	-	-
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	16,843	13,900	13,900	12,251	7,500	15,700	-
623560	Processing Chemicals	6,809,087	6,958,800	7,940,000	7,939,193	7,398,700	8,169,600	-
623570	Laboratory Testing Supplies, Small Equipment, and Chemicals	-	-	100	49	100	-	-
623660	Cleaning Supplies	617	1,200	1,200	391	700	1,300	-
623680	Tools and Supplies	88,634	104,200	127,300	99,929	125,000	244,000	-
623700	Wearing Apparel	-	500	500	-	100	900	-
623780	Safety and Medical Supplies	13,575	64,400	26,500	13,796	9,300	13,900	-
623800	Computer Software	5,634	4,000	4,000	110	2,000	5,800	-
623810	Computer Supplies	13,010	10,000	9,600	5,770	8,700	13,300	-
623820	Fuel	55,798	125,000	86,000	76,050	69,000	107,000	-

101 69000		Fund: Corporate Department: Maintenance & Operations Division: Stickney Service Area		LINE ITEM ANALYSIS				
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
623840	Gases	2,815	6,900	6,900	6,900	6,500	4,500	-
623850	Communications Supplies	1,683	3,000	3,000	520	1,100	900	-
623860	Lubricants	2,633	4,200	4,200	749	500	500	-
623990	Materials and Supplies, N.O.C.	18,867	48,900	22,700	21,654	21,000	66,300	-
300	TOTAL MATERIALS AND SUPPLIES	9,510,702	9,380,500	10,332,700	10,211,810	9,624,000	11,281,600	-
634650	Equipment for Process Facilities	6,480	41,000	27,500	20,100	20,000	-	-
634760	Material Handling and Farming Equipment	4,487	-	-	-	-	-	-
634860	Vehicle Equipment	-	-	-	-	-	5,000	-
634970	Testing and Laboratory Equipment	5,395	6,000	6,000	-	-	-	-
400	TOTAL MACHINERY AND EQUIPMENT	16,362	47,000	33,500	20,100	20,000	5,000	-
TOTAL STICKNEY SERVICE AREA		\$ 79,360,348	\$ 82,745,000	\$ 83,418,200	\$ 63,799,966	\$ 76,288,800	\$ 81,012,400	\$ -

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).  
 4. For the M&O Department, Expenditure (Committed Budget plus Disbursement) may exceed Adjusted Appropriation for a specific division as funding is controlled at the M&O Overall department-level.

Fund: Corporate Dept: Maintenance & Operations Division: Stickney Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>910</b>	<b>Stickney Executive Office</b>					
HP23	Deputy Director of Maintenance & Operations #2 (Assistant Director of Maintenance & Operations) (New Grade HP22)	1	1		1	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	1		1	
TOTAL	Stickney Executive Office	2	2	329,506.58	2	329,506.58
<b>911</b>	<b>Stickney Budget Control Unit</b>					
HP17	Management Analyst III #2 (Senior Budget & Management Analyst) (New Grade HP16)	1	1		1	
HP14	Budget & Management Analyst	2	2		2	
HP11	Administrative Specialist	2	1		1	
TOTAL	Stickney Budget Control Unit	5	4	390,828.62	4	390,828.62
<b>920</b>	<b>Plant Engineering &amp; Maintenance Branch</b>					
<b>921</b>	<b>Administrative Unit</b>					
HP21	Engineer of Treatment Plant Operations I #2 (Managing Engineer) (New Grade HP20)	1	1		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
HP11	Administrative Specialist	-	-		1	
TOTAL	Administrative Unit	2	1	207,059.32	2	273,144.82
<b>922</b>	<b>Mechanical Engineering Unit</b>					
HP20	Managing Mechanical Engineer	1	1		-	
HP18	Principal Mechanical Engineer	1	1		-	
HP17	Senior Mechanical Engineer	3	2		-	
HP15	Associate Mechanical Engineer	3	3		-	
HP14	Assistant Mechanical Engineer	2	2		-	
HP14	Engineering Technician V	1	1		-	
HP12	Engineering Technician IV	1	1		-	
HP11	Administrative Specialist	1	1		-	
TOTAL	Mechanical Engineering Unit	13	12	1,366,630.72	-	-

Fund: Corporate Dept: Maintenance & Operations Division: Stickney Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>923</b>	<b>Electrical Engineering Unit</b>					
HP18	Principal Electrical Engineer	2	1		-	
HP17	Senior Electrical Engineer	3	2		-	
HP15	Associate Electrical Engineer	4	3		-	
HP15	Associate Process Control Engineer	1	-		-	
HP14	Engineering Technician V	1	2		3	
HP14	Engineering Technician V #4	1	1		-	
HP12	Engineering Technician IV	-	-		1	
HP11	Administrative Specialist	1	-		-	
NR6275	Chief Powerhouse Dispatcher I	1	1		1	
NR6272	Powerhouse Dispatcher	4	4		4	
NR6233	Electrical Operator II	11	11		11	
TOTAL	Electrical Engineering Unit	29	25	2,624,879.40	20	1,991,481.70
<b>924</b>	<b>Maintenance Unit</b>					
	(* Number of positions budgeted and funded by the Stormwater Management Fund appear below position count)					
HP19	Master Mechanic II	1	1		1	
HP17	Assistant Master Mechanic	-	5		5	
HP16	Assistant Master Mechanic	4	-		-	
HP16	Assistant Master Mechanic #4	1	-		-	
HP14	Engineering Technician V	1	1		1	
HP12	Engineering Technician IV	1	-		-	
HP11	Administrative Specialist	1	1		1	
PR5935	Architectural Ironworker Leadman	1	1		1	
PR5933	Architectural Ironworker	3	3		3	
PR5933	Architectural Ironworker #1	1	1		1	
PR5353	Bricklayer	1	1		1	
PR5159	Carpenter Foreman	1	1		1	
PR5155	Carpenter Leadman	1	1		1	
PR5153	Carpenter	6	6		6	

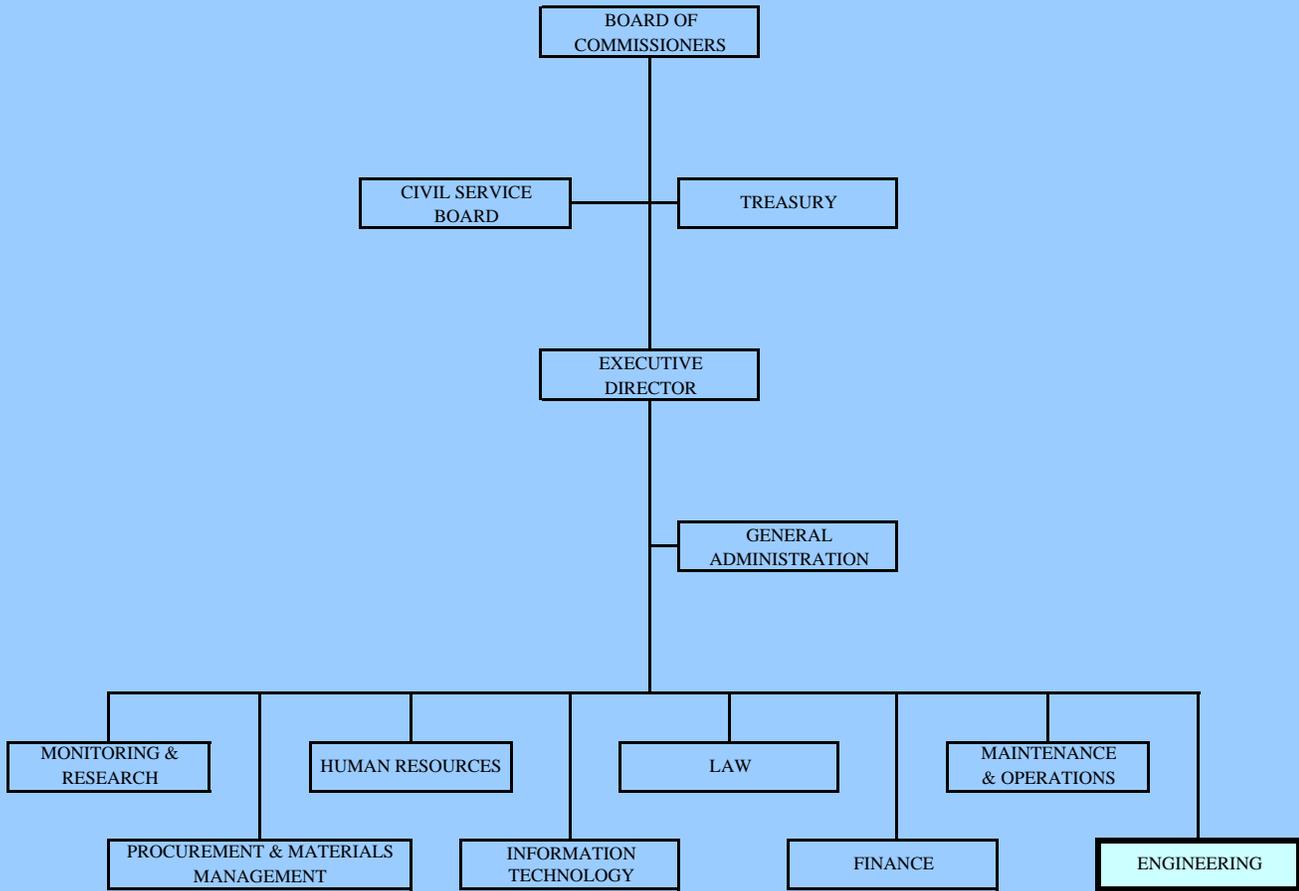
Fund: Corporate Dept: Maintenance & Operations Division: Stickney Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
PR7425	Electrical Instrument & Testing Mechanic Foreman	1	1		1	
PR7424	Electrical Instrument & Testing Mechanic Leadman	1	1		1	
PR7423	Electrical Instrument & Testing Mechanic	13	13		13	
PR7347	Electrical Mechanic Foreman	1	1		1	
PR7349	Electrical Mechanic Sub-Foreman	2	2		2	
PR7343	Electrical Mechanic	18	18		18	
PR6459	Hoisting Engineer Foreman	1	1		1	
PR6453	Hoisting Engineer	10	10		10	
PR5989	Ironworker Foreman	1	1		1	
PR5973	Structural Ironworker	9	9		9	
PR7579	Machinist Foreman	1	1		1	
PR7575	Machinist Leadman	2	2		2	
PR7573	Machinist	25	25		25	
PR5555	Painter Leadman	1	1		1	
PR5553	Painter	3	3		3	
PR7743	Pipcoverer	2	2		2	
PR7779	Pipefitter Foreman	1	1		1	
PR7775	Pipefitter Leadman	2	2		2	
PR7773	Pipefitter	23	23		23	
PR5759	Plumber Foreman	(*1)	(*1)		(*1)	
PR5753	Plumber	4	4		4	
PR5955	Sheet Metal Worker Leadman	1	1		1	
PR5953	Sheet Metal Worker	6	6		6	
PR6479	Truck Driver Foreman	1	1		1	
PR6473	Truck Driver	8	8		8	
TOTAL	Maintenance Unit	161	160	15,380,416.74	160	15,714,390.90
TOTAL	Stormwater Management Fund Positions	(*1)	(*1)		(*1)	
<b>943</b>	<b>Buildings &amp; Grounds Unit</b>					
HP18	Principal Mechanical Engineer	1	1		1	

Fund: Corporate Dept: Maintenance & Operations Division: Stickney Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP17	Senior Civil Engineer	1	-		-	
HP15	Associate Civil Engineer	2	2		1	
HP14	Engineering Technician V	2	2		2	
HP09	Administrative Clerk	1	1		1	
NR8331	Laborer Foreman	2	2		2	
NR8651	Maintenance Laborer Class A	7	7		7	
NR8651	Maintenance Laborer Class A #1	1	-		-	
NR8652	Maintenance Laborer Class B	9	9		9	
TOTAL	Buildings & Grounds Unit	26	24	1,776,754.72	23	1,706,719.56
TOTAL	Plant Engineering & Maintenance Branch	231	222	21,355,740.90	205	19,685,736.98
TOTAL	Stormwater Management Fund Positions	(*1)	(*1)		(*1)	
<b>930</b>	<b>Plant Operations Branch</b>					
<b>931</b>	<b>Administrative Unit</b>					
HP21	Engineer of Treatment Plant Operations I #2 (Managing Engineer) (New Grade HP20)	1	1		-	
HP20	Managing Engineer	-	-		1	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
TOTAL	Administrative Unit	2	1	207,059.32	1	142,094.16
<b>932</b>	<b>Treatment Operations Unit</b>					
HP19	Assistant Engineer of Treatment Plant Operations II #2 (Principal Engineer) (New Grade HP18)	-	-		1	
HP18	Principal Engineer	2	1		1	
HP16	Treatment Plant Operator III	5	5		6	
HP16	Treatment Plant Operator III #4	1	1		-	
HP15	Associate Civil Engineer	1	1		-	
HP14	Assistant Civil Engineer	1	-		-	
HP14	Assistant Mechanical Engineer	1	1		-	
HP14	Treatment Plant Operator II	7	8		8	
HP14	Treatment Plant Operator II #4	2	1		1	

Fund: Corporate Dept: Maintenance & Operations Division: Stickney Service Area		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP12	Treatment Plant Operator I	6	6		6	
HP11	Administrative Specialist	1	1		1	
NR8331	Laborer Foreman	1	1		1	
NR8650	Maintenance Laborer Class A Shift	15	15		15	
NR8651	Maintenance Laborer Class A	5	5		5	
TOTAL	Treatment Operations Unit	48	46	4,067,261.12	45	4,045,374.32
<b>934</b>	<b>Mechanical Operations Unit</b> (* Number of positions budgeted and funded by the Stormwater Management Fund appear below position count)					
HP18	Chief Operating Engineer II	1	1		1	
HP17	Chief Operating Engineer I	2	2		2	
HP16	Assistant Chief Operating Engineer	6	6		6	
NR6810	Fireman-Oiler	10	10		10	
NR8650	Maintenance Laborer Class A Shift	20	20		20	
		(*4)	(*4)		(*4)	
NR8651	Maintenance Laborer Class A	4	4		4	
NR6832	Operating Engineer II	34	34		34	
NR6831	Operating Engineer I	26	26		26	
		(*4)	(*4)		(*4)	
TOTAL	Mechanical Operations Unit	103	103	9,720,852.18	103	9,984,503.62
TOTAL	Stormwater Management Fund Positions	(*8)	(*8)		(*8)	
<b>945</b>	<b>Railroad Unit</b>					
HP11	Engineering Technician III	1	1		1	
NR8331	Laborer Foreman	1	1		1	
NR8650	Maintenance Laborer Class A Shift	5	5		5	
TOTAL	Railroad Unit	7	7	530,595.00	7	548,237.30
TOTAL	Plant Operations Branch	160	157	14,525,767.62	156	14,720,209.40
TOTAL	Stormwater Management Fund Positions	(*8)	(*8)		(*8)	
TOTAL	Maintenance & Operations Stickney Service Area	398	385	36,601,843.72	367	35,126,281.58
TOTAL	Stormwater Management Fund Positions	(*9)	(*9)		(*9)	

Note: Nine positions budgeted in Sections 924 and 934 are funded by the Stormwater Management Fund while the operations remain in the Maintenance & Operations Department.

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.



**Metropolitan Water Reclamation District of Greater Chicago**

100 EAST ERIE STREET

CHICAGO, ILLINOIS 60611-3154

312.751.5600

September 7, 2016

Mr. David St. Pierre  
Executive Director  
OFFICE

Dear Sir:

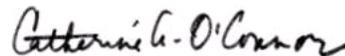
Subject: 2017 Program for the Engineering Department – Corporate Fund

The Engineering Department – Corporate Fund’s program for 2017, as prepared in detail, is transmitted herewith. The budget presentation supports the request for funding of the department’s 2017 initiatives in alignment with and in support of the Strategic Business Plan. The budget requests include all amendments as directed by you during the Executive Director Budget Hearings in August of this year.

The narrative provides a summary of the department, 2017 major initiatives and challenges, and 2016 accomplishments. Supporting schedules of objectives, performance, and staffing levels present three years of detailed budgetary information.

Thank you for the opportunity to present the proposed Engineering Department – Corporate Fund budget for 2017.

Respectfully submitted,

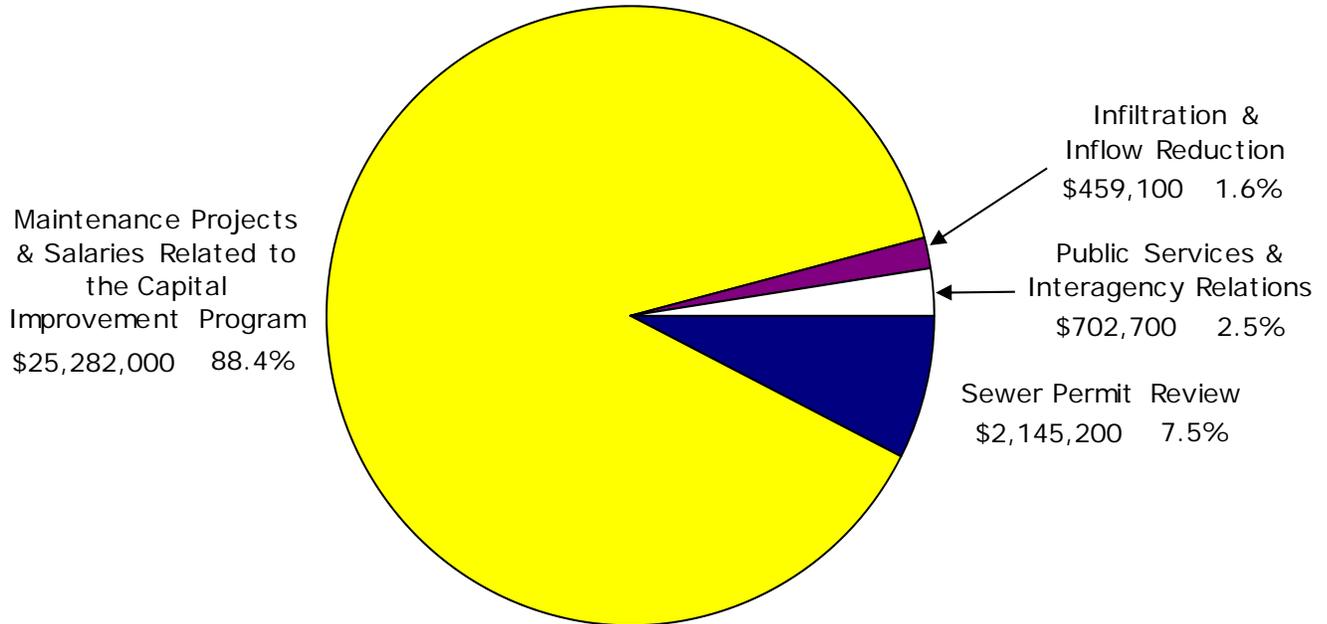


Catherine A. O’Connor  
Director of Engineering

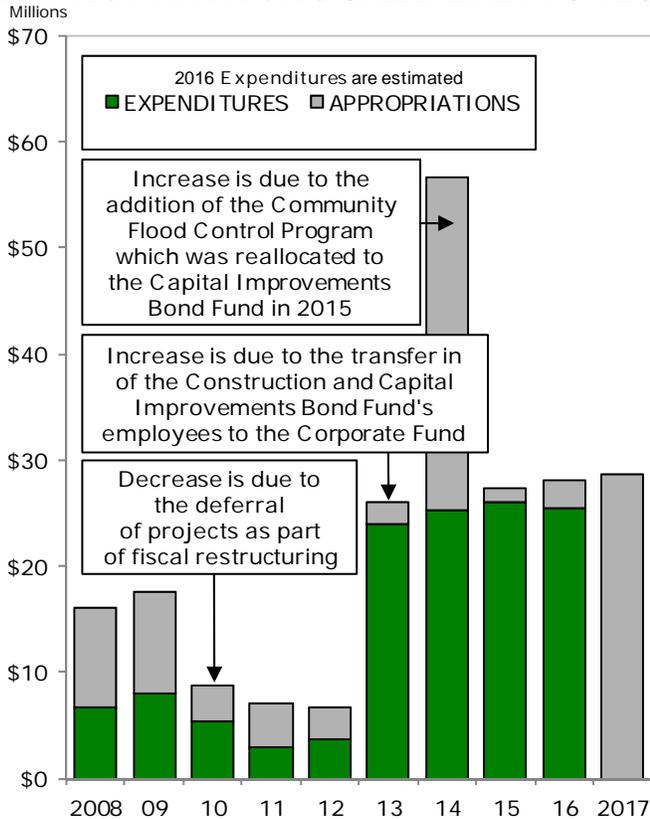
# ENGINEERING – CORPORATE FUND

2017	\$28,589,000
2016	\$28,072,900
Increase	\$516,100

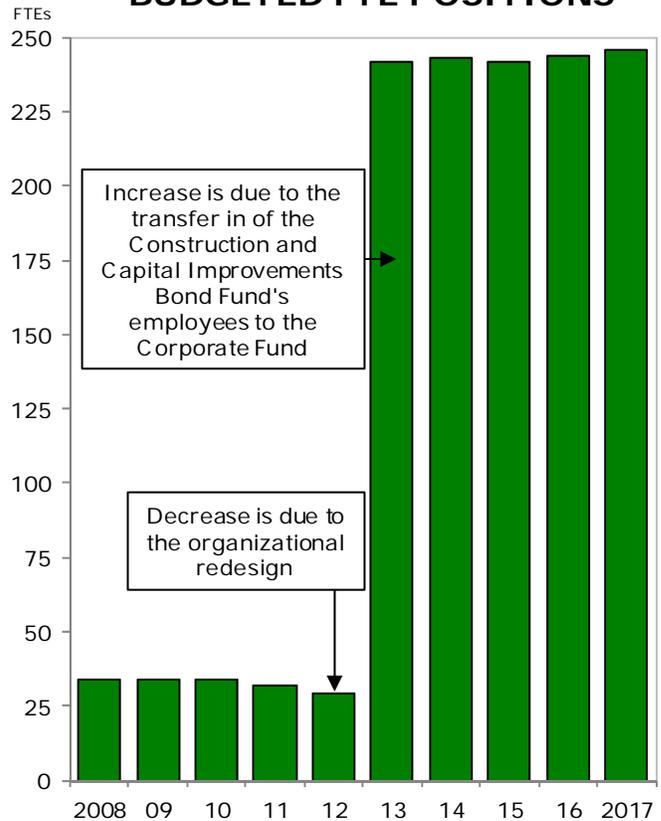
## FUNCTIONS



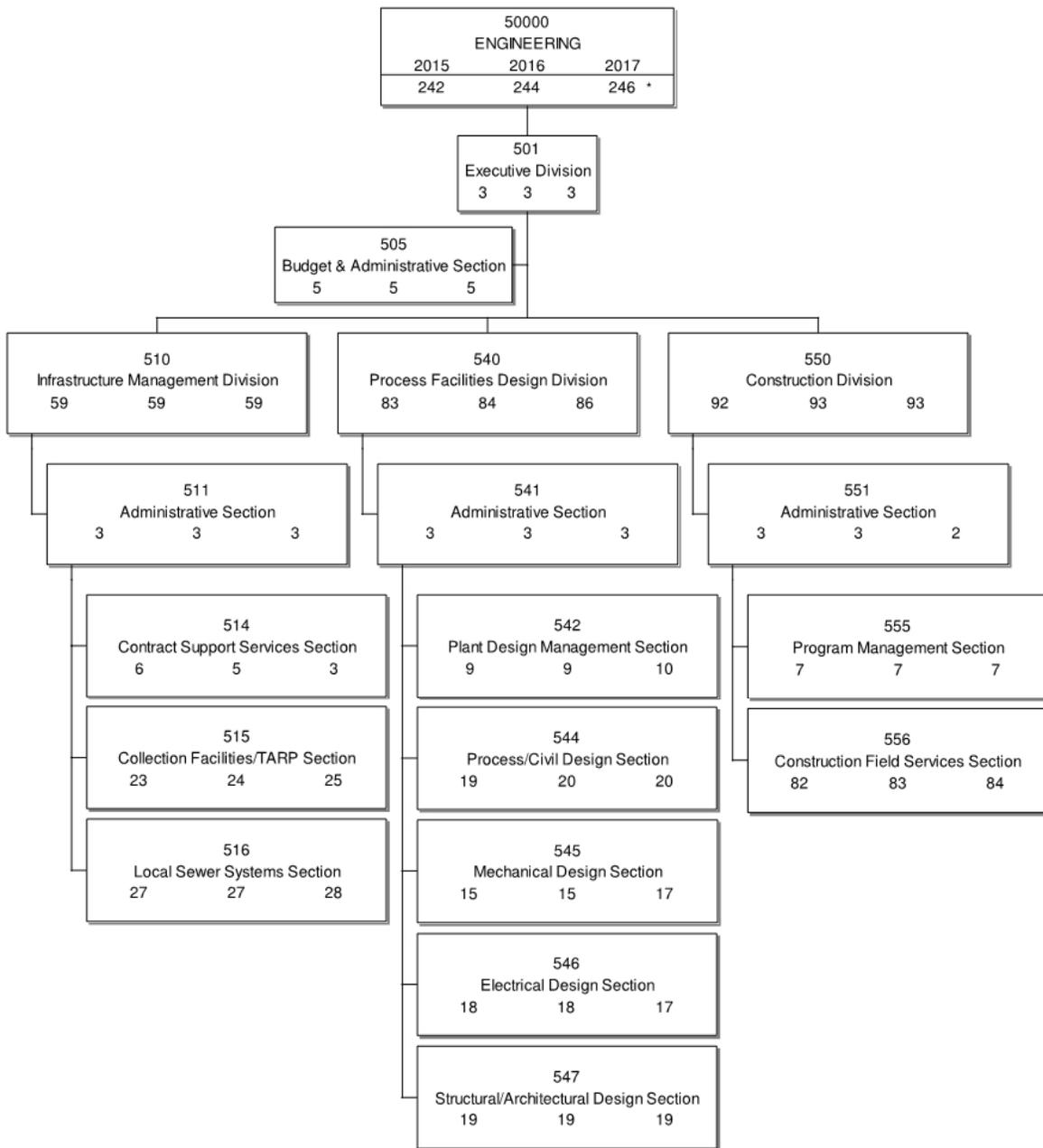
## APPROPRIATIONS & EXPENDITURES



## BUDGETED FTE POSITIONS



# ENGINEERING



\* The 2017 position total for Engineering – Corporate Fund is 246. There are an additional 30 positions funded by the Stormwater Management Fund while the operations remain in the Engineering Department.

## ENGINEERING CORPORATE FUND

**The mission of the Engineering Department is to plan, design, and construct projects prioritized in the Capital Improvement Program, and regulate the construction and maintenance of local sewers, which are tributary to the District's intercepting sewer system.**

### Departmental Summary

The programs of the Engineering Department are described in three sections of the budget. Most Engineering Department positions and many of the activities of the Local Sewer Systems Section (LSSS) are financed by the Corporate Fund, which is described below. The Capital Budget, which highlights the accomplishments of the Infrastructure Management Division, Process Facilities Design Division and Construction Division, is described in Section V and the Stormwater Management budget is described in Section VI.

The department's primary responsibilities include:

- Plan, develop, and implement a Capital Improvement Program that meets the District's statutory responsibilities, is compliant with applicable state and federal regulations and requirements, and is responsive to the needs of the District's residents as directed through the policies put forth by its Board of Commissioners in the areas of sewage treatment, stormwater management, resource recovery and pollution control;
- Provide requested and required engineering assistance to other departments within the District in support of their missions. The Engineering Department engages internal staff for all intercepting sewer rehabilitation design, all construction management, and roughly half of the District's process facilities design. Employing a rigorous qualifications-based selection process, the balance of design work is completed by engineering consulting firms. By blending District staff design expertise with design expertise of highly qualified outside firms, the Engineering Department is able to ensure that our plant upgrade, rehabilitation and resource recovery projects are state of the art.

The Corporate Fund also supports the work of the LSSS, whose responsibility is the enforcement of the Watershed Management Ordinance (WMO). The WMO became effective on May 1, 2014, replacing the Sewer Permit Ordinance (SPO). The WMO establishes uniform, countywide stormwater management regulations, sewer construction standards, and requires compliance with the Infiltration/Inflow (I/I) Control Program.

The Corporate Fund budget is also used for repair and maintenance projects not eligible for capital improvements funding.

### Summary of 2016 Accomplishments

- As a result of WMO enforcement, the following has been accomplished in 2016:
  - Approximately eight million gallons of volume control storage;
  - Approximately 10 million gallons of compensatory storage;
  - Approximately 134 million gallons of locally-provided stormwater detention;
- Received revenue of approximately \$1.5 million from sewer service agreements;
- Conducted an advisory committee meeting to consider ordinance changes;
- Updated permit forms to condense and simplify reporting;
- Attended and presented WMO requirements at the National Association of Environmental Professionals and Illinois Association for Floodplain and Stormwater Management conferences to offer outreach and compliance information to the design community;
- Reviewed and issued permits in an adjusted average of 41 working days from the initial submittal to permit issuance;
- Conducted internal training events to enhance the permit review process;
- Reviewed the I/I Control Program annual summary reports to ensure that local municipalities are maintaining and rehabilitating their sewer systems.

### Budget Highlights

The 2017 appropriation for the Engineering – Corporate Fund is \$28,589,000, an increase of \$516,100, or 1.8 percent, from 2016. The 2017 staffing level of 246 is a net increase of two positions, resulting from the addition of five positions and the transfer in of five positions from the Maintenance & Operations Department, offset by the drop of eight positions. Added positions include an Assistant Director of Engineering, a Senior Mechanical Engineer, an Associate Mechanical Engineer, an Engineering Technician IV, and an Engineering Technician III. Dropped positions include a Managing Civil Engineer, two Assistant Civil Engineers, an Assistant Electrical Engineer, and four Administrative Specialists. Positions transferred in included a Managing Mechanical Engineer, an Associate Mechanical Engineer, an Assistant Mechanical Engineer, and two Associate Civil Engineers.

Significant features of the 2017 budget for the Engineering Department include the following:

- Continue the implementation of the I/I Control Program to reduce sanitary sewer overflows and basement backups;
- Additional development of the Technical Guidance Manual (TGM) to add guidance for compliance with the amended WMO.

**2017 Initiatives in Support of the Strategic Business Plan Include the Following:**

• **Add Value**

The Engineering staff look for opportunities to add value in all endeavors. For example, during the permitting process, staff follow up with consulting engineers who have submitted permit applications to ensure that the permit process does not impede development. Staff also worked to establish a WMO fee schedule that would be the least costly of all urbanized collar counties. This fee structure was developed based on the following information: (1) current review fees for the collar counties, (2) past review fees under the SPO, and (3) estimated review times under the WMO. The base fee is \$1,100.00 plus a charge of \$5.00 per linear foot of sewer that is tributary to District facilities. Additional fees are collected for stormwater detention, impact on flood protection areas, and for further submittals that require review. Fees will be evaluated on a yearly basis and are set to recover the salaries of District employees in the LSSS who work on permit issuance and field inspection. Additionally, it should be noted that the District has received \$750,000 from extraterritorial impact fees.

• **Excellence**

Planning, design, permit review, and permit approval are conducted with the goal of excellence in mind. Work is completed timely and accurately the first time, and with consideration given to the service to our regulated community. Through excellence, we plan to find opportunities for efficiency gains with a disciplined methodology, which is deeply rooted in a culture of innovation and continuous improvement.

• **Develop Employees**

The Engineering staff includes engineers and technicians who must remain current with developments in sewer construction, site development, construction inspection, sewer rehabilitation, and flow monitoring. The 2017 budget includes funds for continuing education opportunities, and attendance at conferences, webinars, and local seminars. The Engineering Department Staffing and Consultants exhibit to the right illustrates budgeted positions until 2018.

• **Leading Partnerships**

The WMO was developed in partnership with all key stakeholders. The LSSS responds to questions and requests from the public and local communities regarding District ordinances. Inquiries related to the WMO include topics such as permit requirements, stormwater management, floodplains, special construction problems, preliminary engineering reviews, permit fees, the Illinois Environmental Protection Agency permit application certifications, requests for field and violation investigations, engineering standards, availability of District facilities, proposed projects, review of proposed local ordinances, and interpretation of District ordinances. Thousands of telephone and written inquiries will be received and addressed in 2017, as shown in the Public Services exhibit.

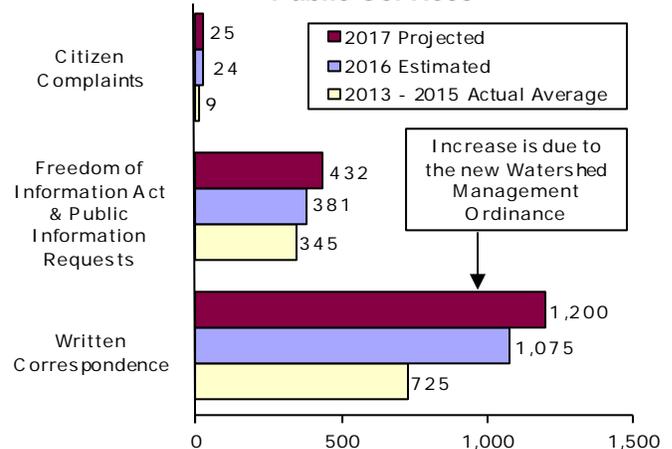
Field investigations will be undertaken to resolve sewerage and drainage questions and complaints. The complaints arise from sewage backup and surcharges, flooding, and other unsanitary or unsafe conditions detrimental to the health and welfare of the public. As a result of investigating these matters and contacts made with local officials, the District has been instrumental in achieving a satisfactory resolution to the majority of the complaints. The LSSS coordinates activities with other governmental agencies to resolve multi-jurisdictional problems and evaluates new stormwater management practices and sewer construction procedures and products. The LSSS anticipates an increase in Freedom of Information Act and public information requests due to the complexities of the new WMO.

**Engineering Department Staffing & Consultants**



\*An additional 30 positions are funded by the Stormwater Management Fund (see Section VI), while the operations remain in the Engineering Department.

**Public Services**



Through the administration of the WMO, the LSSS protects public health and the environment by ensuring that the minimum standards for land development and sewer construction are enforced throughout the District’s service area. The reduction of excessive I/I also facilitates the operation of the District’s treatment plants during wet weather within National Pollutant Discharge Elimination System (NPDES) permit limits. Stormwater management, which is required in conjunction with many permits, helps reduce flooding along waterways, and places the responsibility for the construction of a development’s flood control facilities with the developer, rather than the public.

**LOCAL SEWER SYSTEMS SECTION  
PERMIT ADMINISTRATION**

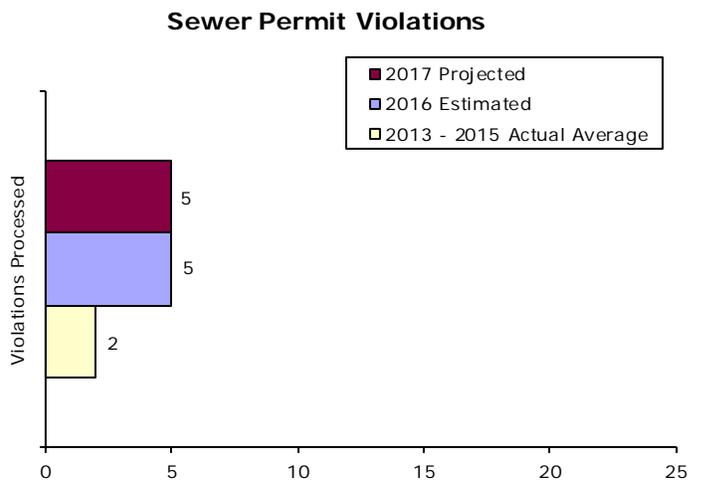
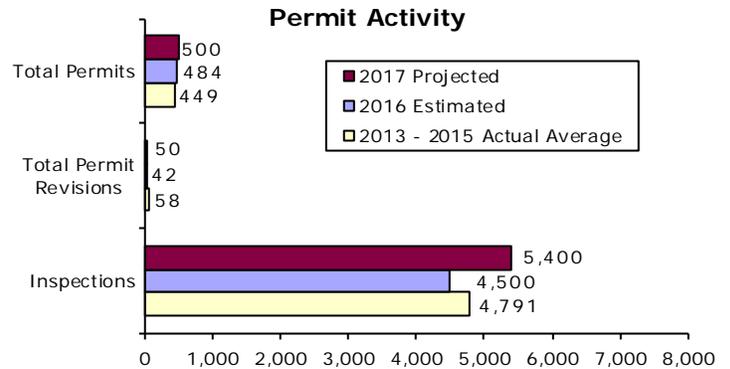
The LSSS administers the WMO within Cook County, excluding the City of Chicago, through the review and approval of WMO permit applications. The WMO establishes uniform, minimum stormwater management design requirements for new land development and redevelopment. The WMO also regulates the design, construction, operation, and maintenance of local public and private sewer connections for residential, commercial, institutional, governmental, and industrial developments, public sewerage systems, and treatment facilities, which discharge directly or indirectly into District collection and treatment facilities, or to waters within the boundaries of the District. The WMO requires that special attention be given to construction within floodplains, wetlands, and riparian environments. The District requires stormwater management as part of land development to ensure that runoff from new developments and redevelopments, exceeding certain acreage limits, do not exacerbate existing runoff and flooding conditions.

The TGM is a companion guide to the WMO and provides a reference on how best to apply and meet the regulations for project design and project implementation. The TGM identifies when a permit is needed, the information required to support a WMO permit application, clarification of WMO requirements, and examples to demonstrate standard compliance. The TGM is expected to evolve as WMO compliance lessons are learned.

The LSSS reviews and issues several types of permits under the WMO. Those permits include the following:

- Standard WMO Permits;
- Notification and Request for Inspection Sewer Construction Permits: This is a short form permit regulating sanitary sewer rehabilitation work for the reconstruction or replacement in kind of existing sewers or minor sewer work that involves less than 25 linear feet of new sewer;
- Facility Connection Authorization: This is utilized to approve connections to District-owned property, facilities, and waterways, including Lake Michigan, within the City of Chicago;
- Single-Family Home Permits: These are short form permits, applicable to the development and redevelopment of single-family homes that impact special flood hazard areas such as a floodplain or riparian environment;
- Authorized Municipality Permits: These are applicable for projects that take place within municipalities that are authorized to administer and issue WMO permits. The authorized municipality reviews the stormwater management requirements and LSSS reviews qualified sewer construction, existing stormwater detention, and new outfalls.

The WMO requires the timely review of permit applications. Initial review and response is required within 15 working days for developments not involving flood protection areas, 30 working days for developments involving flood protection areas, and 10 working days for re-submittals. In 2016 the average review and response time for an initial submittal was 10 days and the average re-submittal response time was six days. As illustrated in the Permit Activity exhibit, LSSS will issue an estimated 484 total permits in 2016, with an estimated average time from initial submittal to permit issuance of 41 working days. The number of total permits issued has averaged 449 for the last three years. The Permit Activity exhibit also illustrates total permit revisions and inspections completed by the LSSS Field Office. On the Sewer Permit Violations exhibit, a total of five sewer permit violations are estimated to be processed in 2016 as well as in 2017.



While the District's service area is almost fully developed, many of the remaining development opportunities involve marginal, low-lying land, and the redevelopment of challenging, high density areas. These types of permits are generally more complex to analyze and review. Any existing stormwater requirements and existing facilities must first be reassessed for impacts from the proposed development. Limited space and site constraints, common for in-fill redevelopment, offer further challenges to meeting the latest requirements, often necessitating retrofits to existing stormwater systems to achieve permit compliance.

### **INFILTRATION/INFLOW CONTROL PROGRAM ADMINISTRATION**

The LSSS also administers the District's I/I Control Program, which replaced the existing program under the SPO. The purpose of the program is to provide a framework for asset management of separate sewer systems to meet the following goals:

- Maintain infrastructure to prevent sanitary sewer overflows and basement backups due to sewer surcharging and other adverse sewer system conditions;
- Comply with the District's NPDES permits and all other applicable federal, state, and local laws and regulations;
- Minimize extraneous flows transported to the District's facilities due to defective system components or illegal connections.

The District implements the I/I Control Program due to special conditions imposed by the Illinois Environmental Protection Agency in the District's NPDES permits for the Water Reclamation Plants. In addition to adopting a Capacity, Management, Operation, and Maintenance Program for the conveyance and treatment facilities, the District is required to take action to reduce excessive I/I within the local sewers systems.

The I/I Control Program requires all satellite entities (sewer system owners) within the District's separate sewer area, that discharge directly or indirectly into District facilities, to identify and address I/I sources within the public and private sewer systems. This will be accomplished by the individual satellite entities performing ongoing inspections and conducting maintenance and rehabilitation work on the sewer system. All satellite entities annually must report work completed to meet the goals of the I/I Control Program to the District.

**50000 ENGINEERING**

**OBJECTIVES AND PROGRAM SUMMARY**

OBJECTIVES BY PRIORITY:	Cost	Percent
1. Protect public health by administering the Watershed Management Ordinance (WMO) to regulate local sewer connections to local treatment plants, discharges to District waters, and migration of runoff from new developments and redevelopments.	\$ 2,145,200	7.5%
2. Provide information to the public and local communities regarding District ordinances, coordinate solutions to regional problems with other governmental agencies, and review and evaluate new cost-effective sewer construction procedures and products.	\$ 702,700	2.5%
3. Reduce treatment costs by eliminating excessive infiltration/inflow (I/I) of stormwater into sanitary sewers through a comprehensive rehabilitation program of the local sewer systems.	\$ 459,100	1.6%
4. Ongoing maintenance projects, salaries, and employee expenses related to the Capital Improvement Program.	\$ 25,282,000	88.4%
<b>Total</b>	<b>\$ 28,589,000</b>	<b>100.0%</b>

MEASURABLE GOALS:	2015 Actual	2016 Estimated	2017 Proposed
1. Reduction of avoidable I/I by promoting repair and rehabilitation of the 125 local sanitary sewer systems under the Sewer Permit Ordinance (SPO) and Manual of Procedures for Administration of the Sewer Permit Ordinance (MOP).			
Number of agencies that have achieved compliance	125	-	-
Percentage complete	100%	-	-
All agencies have achieved compliance with the District's old I/I control program under the SPO and the MOP.			
2. Reduction of avoidable I/I by promoting repair and rehabilitation of the 115 local sanitary sewer systems under the WMO.			
Number of agencies that have completed their Short-Term Requirements	-	-	10
Percentage complete	-	-	8%
The WMO requires compliance with the I/I Control Program. Measurable goals are being evaluated for the new program. Due to mergers, takeovers, and annexations, etc., the number of agencies that require compliance has been reduced from 125 under the SPO and MOP to 115 under the WMO. Agencies will submit annual reports detailing the progress made during the reporting period. While some agencies may complete their Short-Term Requirements within one year, it is anticipated that most agencies will complete them in 2019.			

**50000 ENGINEERING**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted		Change		
Number	Name	Actual	FTEs	Dollars	Dollars	Percent	
1000	Collection	\$ 6,872,563	2017 65	\$ 7,458,200	\$ 230,000	3.2	
			2016 64	\$ 7,228,200			
1530	Local Sewer Permit Activity	\$ 1,823,310	2017 21	\$ 2,145,200	\$ 157,600	7.9	a)
			2016 20	\$ 1,987,600			
1560	Local Sewer Public Service Coordination	\$ 688,988	2017 7	\$ 702,700	\$ 1,500	0.2	
			2016 7	\$ 701,200			
1571	Local Sewer Rehabilitation Ordinance Enforcement Activity	\$ 470,384	2017 3	\$ 459,100	\$ (172,400)	(27.3)	b)
			2016 3	\$ 631,500			
1700	Collection System Design	\$ 1,155,261	2017 9	\$ 1,318,100	\$ 143,200	12.2	c)
			2016 9	\$ 1,174,900			
1800	Collection Construction	\$ 2,734,620	2017 25	\$ 2,833,100	\$ 100,100	3.7	d)
			2016 25	\$ 2,733,000			
2000	Treatment	\$ 8,728,077	2017 80	\$ 9,097,600	\$ 108,700	1.2	
			2016 80	\$ 8,988,900			
2700	Treatment Design	\$ 3,169,867	2017 27	\$ 3,289,700	\$ 23,000	0.7	
			2016 27	\$ 3,266,700			
2800	Treatment Construction	\$ 5,558,210	2017 53	\$ 5,807,900	\$ 85,700	1.5	
			2016 53	\$ 5,722,200			
3000	Solids Processing	\$ 4,674,599	2017 50	\$ 5,964,000	\$ 156,300	2.7	
			2016 49	\$ 5,807,700			
3700	Solids Processing Design	\$ 2,340,711	2017 24	\$ 3,013,300	\$ 48,800	1.6	
			2016 24	\$ 2,964,500			
3800	Solids Processing Construction	\$ 2,333,888	2017 26	\$ 2,950,700	\$ 107,500	3.8	e)
			2016 25	\$ 2,843,200			

- a) Increase is due to the transfer in of an Associate Civil Engineer from the M&O Department (\$114,700) and an increased request for in-house training to enhance employee development (\$30,000).
- b) Decrease is due to the reduced request for sewer flow metering services due to the completion of 14-815-1S, Sewer Flow Metering Services in 2017 (\$85,000) and the reduced request for flow monitoring services based on anticipated utilization (\$100,000), offset by the reallocation of salaries to more accurately reflect current activities (\$12,600).
- c) Increase is due to the addition of a Senior Mechanical Engineer (\$20,900), the transfer in of an Associate Civil Engineer from the M&O Department (\$28,700), and increased estimates for paid overtime and sick leave incentive payments (\$103,800), offset by a reduced request for preliminary engineering services due to the completion of 10-238-1M, TARP Pump Station Pump/Pipe Movement Monitoring in 2017 (\$18,000).
- d) Increase is due to the addition of an Assistant Director of Engineering and a Senior Mechanical Engineer (\$75,900), the transfer in of a Managing Mechanical Engineer, an Associate Civil Engineer, and an Associate Mechanical Engineer from the M&O Department (\$84,600), and the reallocation of salaries to more accurately reflect current activities (\$22,200), offset by the drop of four Administrative Specialists (\$47,300) and an Assistant Electrical Engineer (\$31,200).
- e) Increase is due to the addition of an Assistant Director of Engineering (\$34,200) and the transfer in of a Managing Mechanical Engineer and an Associate Mechanical Engineer from the M&O Department (\$83,300), offset by the reduced request for mileage reimbursements based on historical expenditures (\$15,000).

**50000 ENGINEERING**

**OBJECTIVES AND PROGRAM SUMMARY**

PROGRAMS BY PRIORITY:		2015	Budgeted			Change		
Number	Name	Actual	FTEs	Dollars	Dollars	Percent		
4000	Flood and Pollution Control	\$ 3,390,168	2017 29	\$ 3,377,300	\$ 42,900	1.3		
			2016 29	\$ 3,334,400				
4216	Bridge and Road Maintenance	\$ 75,364	2017 -	\$ 75,300	\$ (18,300)	(19.6)	f)	
			2016 -	\$ 93,600				
4322	Storm and Flood Ordinance Development	\$ 30,867	2017 -	\$ 16,500	\$ -	-		
			2016 -	\$ 16,500				
4341	Planning/Design	\$ 61,299	2017 -	\$ 61,500	\$ -	-		
			2016 -	\$ 61,500				
4342	Contract Administration	\$ 98,641	2017 1	\$ 102,900	\$ 2,500	2.5		
			2016 1	\$ 100,400				
4343	Construction	\$ 80,041	2017 1	\$ 96,000	\$ (20,900)	(17.9)	g)	
			2016 1	\$ 116,900				
4700	Flood and Pollution Control Design	\$ 699,302	2017 5	\$ 601,400	\$ (7,100)	(1.2)		
			2016 5	\$ 608,500				
4800	Flood and Pollution Control Construction	\$ 2,344,654	2017 22	\$ 2,423,700	\$ 86,700	3.7		
			2016 22	\$ 2,337,000				
5000	Solids Disposal	\$ 347,878	2017 3	\$ 366,500	\$ 10,200	2.9		
			2016 3	\$ 356,300				
5700	Solids Disposal Design	\$ 20,282	2017 -	\$ 9,900	\$ 300	3.1		
			2016 -	\$ 9,600				
5800	Solids Disposal Construction	\$ 327,596	2017 3	\$ 356,600	\$ 9,900	2.9		
			2016 3	\$ 346,700				
7000	General Support (excluding program number 7604)	\$ 1,948,341	2017 19	\$ 1,950,700	\$ (36,500)	(1.8)		
			2016 19	\$ 1,987,200				
7604	Social Security and Medicare Contributions	\$ -	2017 -	\$ 374,700	\$ 4,500	1.2		
			2016 -	\$ 370,200				
Totals		\$ 25,961,626	2017 246	\$ 28,589,000	\$ 516,100	1.8%		
			2016 244	\$ 28,072,900				

f) Decrease is due to the reduced request for 13-059-1D, Biennial Bridge Inspection, based on scheduled contract payments.

g) Decrease is due to the reallocation of green infrastructure funding to the Stormwater Management Fund (\$21,300).

**50000 ENGINEERING**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
1500	Local Sewer - Engineering Activity					
1530	Local Sewer Permit Activity					
1531	Review/Issuance of MWRD Sewer Permits (includes standard permits and notification and request for inspection permits.)	Permits	549	570	550	
		Cost	\$ 851,353	\$ 1,062,200	\$ 1,075,700	
		Cost/Permit	\$ 1,550.73	\$ 1,863.51	\$ 1,955.82	
1533	Review of Other Permits	Cost	\$ 150,494	\$ 136,700	\$ 138,200	
1535	Local Sewer Construction Surveillance/Enforcement	Inspections	4,536	5,400	5,400	
		Cost	\$ 683,186	\$ 718,500	\$ 851,300	a)
		Cost/Inspection	\$ 150.61	\$ 133.06	\$ 157.65	
1537	Permit Revision	Cost	\$ 138,277	\$ 70,200	\$ 80,000	
1560	Local Sewer - Public Service Coordination					
1561	Public Service	Requests	1,169	1,734	1,632	
		Cost	\$ 466,173	\$ 467,000	\$ 466,600	
		Cost/Request	\$ 398.78	\$ 269.32	\$ 285.91	
1563	Interagency Coordination	Cost	\$ 222,815	\$ 234,200	\$ 236,100	
1571	Local Sewer Rehabilitation Ordinance Enforcement Activity	Systems	250	280	250	
		Cost	\$ 470,384	\$ 631,500	\$ 459,100	b)
		Cost/System	\$ 1,881.54	\$ 2,255.36	\$ 1,836.40	
1700	Collection System Design	Cost	\$ 1,155,261	\$ 1,174,900	\$ 1,318,100	c)
1800	Collection Construction	Cost	\$ 2,734,620	\$ 2,733,000	\$ 2,833,100	d)
2700	Treatment Design	Cost	\$ 3,169,867	\$ 3,266,700	\$ 3,289,700	
2800	Treatment Construction	Cost	\$ 5,558,210	\$ 5,722,200	\$ 5,807,900	
3700	Solids Processing Design	Cost	\$ 2,340,711	\$ 2,964,500	\$ 3,013,300	
3800	Solids Processing Construction	Cost	\$ 2,333,888	\$ 2,843,200	\$ 2,950,700	e)

- a) Increase is due to the transfer in of an Associate Civil Engineer from the M&O Department (\$114,700) and an increased request for in-house training to enhance employee development (\$30,000), offset by the reallocation of salaries to more accurately reflect current activities (\$11,700).
- b) Decrease is due to the reduced request for sewer flow metering services due to the completion of 14-815-1S, Sewer Flow Monitoring Services in 2017 (\$85,000) and the reduced request for flow monitoring services based on anticipated utilization (\$100,000), offset by the reallocation of salaries to more accurately reflect current activities (\$12,600).
- c) Increase is due to the addition of a Senior Mechanical Engineer (\$20,900), the transfer in of an Associate Civil Engineer from the M&O Department (\$28,700), and increased estimates for paid overtime and sick leave incentive payments (\$103,800), offset by a reduced request for preliminary engineering services due to the completion of 10-238-1M, TARP Pump Station Pump/Pipe Movement Monitoring in early 2017 (\$18,000).
- d) Increase is due to the addition of an Assistant Director of Engineering and a Senior Mechanical Engineer (\$75,900), the transfer in of a Managing Mechanical Engineer, an Associate Civil Engineer, and an Associate Mechanical Engineer from the M&O Department (\$84,600), and the reallocation of salaries to more accurately reflect current activities (\$22,200), offset by the drop of four Administrative Specialists (\$47,300) and an Assistant Electrical Engineer (\$31,200).
- e) Increase is due to the addition of an Assistant Director of Engineering (\$34,200) and the transfer in of a Managing Mechanical Engineer and an Associate Mechanical Engineer from the M&O Department (\$83,300), offset by the reduced request for mileage reimbursements based on historical expenditures (\$15,000).

**50000 ENGINEERING**

**PERFORMANCE DATA**

Program Number	Measurable Activity Title		2015 Actual	2016 Budgeted	2017 Estimated	
4200	Waterways Control and Stormwater Detention Reservoirs	Cost	\$75,364	\$93,600	\$75,300	f)
4300	Stormwater Management	Cost	\$ 270,848	\$ 295,300	\$ 276,900	
4700	Flood and Pollution Control Design	Cost	\$ 699,302	\$ 608,500	\$ 601,400	
4800	Flood and Pollution Control Construction	Cost	\$2,344,654	\$ 2,337,000	\$ 2,423,700	
5700	Solids Disposal Design	Cost	\$ 20,282	\$ 9,600	\$ 9,900	
5800	Solids Disposal Construction	Cost	\$ 327,596	\$ 346,700	\$ 356,600	
7000	General Support (excluding program number 7604)	Cost	\$ 1,948,341	\$ 1,987,200	\$ 1,950,700	
7604	Social Security and Medicare Contributions	Cost	\$ -	\$ 370,200	\$ 374,700	
		Total	\$ 25,961,626	\$ 28,072,900	\$ 28,589,000	

f) Decrease is due to the reduced request for 13-059-1D, Biennial Bridge Inspection, based on scheduled contract payments.

101 50000	Fund: Corporate Department: Engineering Division:	LINE ITEM ANALYSIS						
		2015	2016				2017	
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
601010	Salaries of Regular Employees	\$ 24,340,374	\$ 26,420,800	\$ 26,420,800	\$ 17,759,622	\$ 24,275,000	\$ 26,934,500	\$ -
601060	Compensation Plan Adjustments	419,027	409,200	409,200	156,038	260,000	586,600	-
601070	Social Security and Medicare Contributions	-	370,200	370,200	254,151	362,800	374,700	-
601100	Tuition and Training Payments	113,151	100,000	100,000	94,358	100,000	150,000	-
601170	Payments for Professional Services	453,485	-	-	-	-	-	-
601410	Personal Services Exp for Prelim Engineering Rpts and Studies	100,001	-	-	-	-	-	-
100	<b>TOTAL PERSONAL SERVICES</b>	<b>25,426,037</b>	<b>27,300,200</b>	<b>27,300,200</b>	<b>18,264,169</b>	<b>24,997,800</b>	<b>28,045,800</b>	<b>-</b>
612010	Travel	9,338	15,000	15,000	6,445	13,500	12,000	-
612030	Meals and Lodging	19,021	20,000	20,000	17,111	20,000	25,000	-
612040	Postage, Freight, and Delivery Charges	1,993	2,000	2,000	2,000	2,000	2,500	-
612050	Compensation for Personally-Owned Automobiles	24,424	30,000	30,000	11,327	12,000	15,000	-
612080	Motor Vehicle Operating Services	360	900	900	342	600	1,000	-
612090	Reprographic Services	4,048	6,200	6,200	5,000	4,500	5,000	-
612170	Water and Water Services	3,053	3,200	3,200	3,200	3,100	3,200	-
612330	Rental Charges	4,426	3,700	3,700	-	500	500	-
612430	Payments for Professional Services	-	442,600	414,000	307,122	262,400	244,300	-
612440	Preliminary Engineering Reports and Studies	-	40,000	65,000	65,000	40,000	22,000	-
612490	Contractual Services, N.O.C.	78,651	100,000	83,600	78,559	78,600	85,000	-
612620	Repairs to Waterway Facilities	9,628	9,700	29,700	29,564	29,600	43,200	-
612970	Repairs to Testing and Laboratory Equipment	1,123	4,000	4,000	3,400	3,500	4,500	-
612990	Repairs, N.O.C.	7,848	11,900	11,900	10,186	10,200	9,800	-
200	<b>TOTAL CONTRACTUAL SERVICES</b>	<b>163,914</b>	<b>689,200</b>	<b>689,200</b>	<b>539,257</b>	<b>480,500</b>	<b>473,000</b>	<b>-</b>
623520	Office, Printing, and Photo Supplies, Equipment, and Furniture	30,851	58,000	58,000	48,215	50,000	40,500	-
623680	Tools and Supplies	-	-	-	-	-	10,000	-
623700	Wearing Apparel	5,424	7,500	7,500	6,499	6,500	7,500	-
623720	Books, Maps, and Charts	6,873	8,100	8,100	7,263	7,900	7,200	-

101 50000	Fund: Corporate Department: Engineering Division:	LINE ITEM ANALYSIS						
		2015	2016			2017		
Account Number	Account Name	Expenditure	Original Appropriation	Adjusted Appropriation 09/30/16	Expenditure (Committed Budget plus Disbursement) 09/30/16	Estimated Expenditure 12/31/16	Proposed by Executive Director	Recommended by Committee on Budget and Employment
623990	Materials and Supplies, N.O.C.	2,346	9,900	9,900	6,819	8,500	5,000	-
300	TOTAL MATERIALS AND SUPPLIES	45,494	83,500	83,500	68,797	72,900	70,200	-
656010	Land	326,181	-	-	-	-	-	-
600	TOTAL LAND	326,181	-	-	-	-	-	-
<b>TOTAL ENGINEERING</b>		<b>\$ 25,961,626</b>	<b>\$ 28,072,900</b>	<b>\$ 28,072,900</b>	<b>\$ 18,872,223</b>	<b>\$ 25,551,200</b>	<b>\$ 28,589,000</b>	<b>\$ -</b>

NOTES: 1. Amounts may not add up due to rounding.  
 2. Departmental appropriation totals for salaries in the Line Item Analysis may differ from those contained in the Position Analysis by a factor identified to adjust for vacancies. Additionally, Estimated Expenditure may either exceed Adjusted Appropriation when transfers of funds are anticipated or be less than Expenditure (Committed Budget plus Disbursement) when not all commitments are anticipated to be completed by year-end.  
 3. Effective 01/01/2016, professional services previously included in Personal Services (accounts 601170, 601410, 601420, 601430, and 601440) were reclassified to Contractual Services (accounts 612430, 612440, 612450, 612460, and 612470 respectively).

Fund: Corporate Dept: Engineering Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>501</b>	<b>Executive Division</b>					
EX15	Director of Engineering	1	1		1	
HP22	Assistant Director of Engineering	1	1		1	
EX06	Secretary to Officer	1	1		1	
TOTAL	Executive Division	3	3	580,436.74	3	584,872.60
<b>505</b>	<b>Budget &amp; Administrative Section</b>					
HP18	Supervising Budget & Management Analyst	1	1		1	
HP17	Management Analyst III #2 (Senior Budget & Management Analyst) (New Grade HP16)	1	1		1	
HP15	Management Analyst II #2 (Budget & Management Analyst) (New Grade HP14)	1	1		1	
HP14	Budget & Management Analyst	1	1		1	
HP13	Senior Administrative Specialist	1	1		1	
TOTAL	Budget & Administrative Section	5	5	584,427.48	5	589,145.70
<b>510</b>	<b>Infrastructure Management Division</b>					
<b>511</b>	<b>Administrative Section</b>					
HP22	Assistant Director of Engineering	1	1		1	
HP20	Managing Civil Engineer	1	1		1	
HP11	Administrative Specialist	1	1		1	
TOTAL	Administrative Section	3	3	484,816.80	3	484,816.80
<b>514</b>	<b>Contract Support Services Section</b>					
HP20	Managing Civil Engineer	1	1		-	
HP14	Engineering Technician V #4	1	1		1	
HP12	Engineering Technician IV	1	1		1	
HP11	Administrative Specialist	1	1		-	
HP11	Engineering Technician III	1	-		-	
HP09	Administrative Clerk	1	1		1	
TOTAL	Contract Support Services Section	6	5	440,809.98	3	235,056.38

Fund: Corporate Dept: Engineering Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>515</b>	<b>Collection Facilities / TARP Section</b>					
HP20	Managing Civil Engineer	1	1		1	
HP18	Principal Civil Engineer	3	3		3	
HP17	Senior Civil Engineer	5	6		6	
HP15	Associate Civil Engineer	5	4		3	
HP14	Assistant Civil Engineer	2	2		2	
HP14	Engineering Technician V	1	1		1	
HP14	Engineering Technician V #4	1	1		1	
HP13	Engineering Draftsman III	1	1		1	
HP12	Engineering Technician IV	2	2		3	
HP11	Engineering Technician III	2	3		4	
TOTAL	Collection Facilities / TARP Section	23	24	2,580,667.44	25	2,597,956.40
<b>516</b>	<b>Local Sewer Systems Section</b>					
	(* Number of positions budgeted and funded by the Stormwater Management Fund appears below position count)					
HP18	Principal Civil Engineer	2	2		2	
		(*1)	(*1)		(*1)	
HP17	Senior Civil Engineer	7	7		7	
		(*1)	(*2)		(*2)	
HP15	Associate Civil Engineer	5	5		6	
		(*2)	(*3)		(*3)	
HP14	Assistant Civil Engineer	3	3		2	
		(*2)	(*2)		(*2)	
HP14	Assistant Mechanical Engineer	-	-		1	
HP14	Engineering Technician V	2	2		3	
HP14	Engineering Technician V #4	1	1		-	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
HP12	Engineering Technician IV	2	2		2	
		(*1)	(*2)		(*1)	
HP12	Engineering Technician IV #4	1	1		1	
HP11	Administrative Specialist	-	1		1	
HP11	Engineering Technician III	1	1		1	

Fund: Corporate Dept: Engineering Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP09	Administrative Clerk	2	2		2	
TOTAL	Local Sewer Systems Section	27	27	2,677,172.42	28	2,809,855.88
TOTAL	Stormwater Management Fund Positions	(*7)	(*10)		(*9)	
TOTAL	Infrastructure Management Division	59	59	6,183,466.64	59	6,127,685.46
TOTAL	Stormwater Management Fund Positions	(*7)	(*10)		(*9)	
<b>522</b>	<b>Stormwater Management Section</b> (* Number of positions budgeted and funded by the Stormwater Management Fund appears below position count)					
HP20	Managing Civil Engineer	-	-		-	
		(*1)	(*1)		(*1)	
HP18	Principal Civil Engineer	-	-		-	
		(*3)	(*3)		(*3)	
HP17	Senior Civil Engineer	-	-		-	
		(*7)	(*7)		(*7)	
HP15	Associate Civil Engineer	-	-		-	
		(*5)	(*6)		(*6)	
HP14	Assistant Civil Engineer	-	-		-	
		(*4)	(*4)		(*3)	
HP11	Administrative Specialist	-	-		-	
		(*1)	(*1)		(*1)	
TOTAL	Stormwater Management Section	-	-	-	-	-
TOTAL	Stormwater Management Fund Positions	(*21)	(*22)		(*21)	
<b>540</b>	<b>Process Facilities Design Division</b>					
<b>541</b>	<b>Administrative Section</b>					
HP22	Assistant Director of Engineering	-	-		1	
HP12	Secretary #2 (Administrative Specialist) (New Grade HP11)	1	-		-	
HP11	Administrative Specialist	2	3		2	
TOTAL	Administrative Section	3	3	181,906.14	3	293,164.04
<b>542</b>	<b>Plant Design Management Section</b>					
HP20	Managing Civil Engineer	1	1		1	
HP18	Principal Civil Engineer	2	2		2	
HP17	Senior Civil Engineer	2	2		3	
HP16	Computer Aided Drafting and Design Administrator	1	1		1	
HP15	Associate Civil Engineer	2	2		2	
HP12	Engineering Technician IV	1	1		1	
TOTAL	Plant Design Management Section	9	9	1,123,785.26	10	1,224,195.44

Fund: Corporate Dept: Engineering Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
<b>544</b>	<b>Process / Civil Design Section (formerly Process Design Section)</b>					
HP20	Managing Civil Engineer	1	1		1	
HP18	Principal Civil Engineer	3	3		3	
HP17	Senior Civil Engineer	7	7		7	
HP17	Senior Process Control Engineer	1	1		1	
HP15	Associate Civil Engineer	2	2		2	
HP15	Associate Process Control Engineer	-	1		1	
HP14	Assistant Civil Engineer	2	2		2	
HP13	Engineering Draftsman III #4	1	1		1	
HP12	Engineering Draftsman II	1	1		1	
HP12	Engineering Draftsman II #4	1	1		1	
TOTAL	Process / Civil Design Section (formerly Process Design Section)	19	20	2,352,857.78	20	2,341,892.54
<b>545</b>	<b>Mechanical Design Section</b>					
HP20	Managing Mechanical Engineer	1	1		2	
HP18	Principal Mechanical Engineer	2	2		2	
HP17	Senior Mechanical Engineer	4	4		5	
HP15	Associate Mechanical Engineer	4	4		4	
HP14	Assistant Mechanical Engineer	1	1		1	
HP13	Engineering Draftsman III	1	1		1	
HP12	Engineering Draftsman II	1	1		1	
HP12	Engineering Draftsman II #4	1	1		1	
TOTAL	Mechanical Design Section	15	15	1,753,194.30	17	1,999,509.46
<b>546</b>	<b>Electrical Design Section</b>					
HP20	Managing Electrical Engineer	1	1		1	
HP18	Principal Electrical Engineer	2	2		2	
HP17	Senior Electrical Engineer	5	5		5	
HP15	Associate Electrical Engineer	5	5		5	

Fund: Corporate Dept: Engineering Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP14	Assistant Electrical Engineer	2	2		1	
HP13	Engineering Draftsman III	-	-		1	
HP13	Engineering Draftsman III #4	1	1		-	
HP12	Engineering Draftsman II	2	2		2	
TOTAL	Electrical Design Section	18	18	2,076,145.50	17	1,982,722.30
<b>547</b>	<b>Structural / Architectural Design Section</b>					
HP20	Managing Structural Engineer	1	1		1	
HP18	Principal Architect	1	1		1	
HP18	Principal Structural Engineer	2	2		2	
HP17	Senior Architect	2	2		2	
HP17	Senior Structural Engineer	3	3		3	
HP15	Associate Architect	3	3		3	
HP15	Associate Structural Engineer	2	2		2	
HP14	Assistant Structural Engineer	3	3		3	
HP13	Engineering Draftsman III	1	1		1	
HP12	Engineering Draftsman II #4	1	1		1	
TOTAL	Structural / Architectural Design Section	19	19	2,170,722.32	19	2,132,508.30
TOTAL	Process Facilities Design Division	83	84	9,658,611.30	86	9,973,992.08
<b>550</b>	<b>Construction Division</b>					
<b>551</b>	<b>Administrative Section</b>					
HP22	Assistant Director of Engineering	1	1		1	
HP11	Administrative Specialist	2	2		1	
TOTAL	Administrative Section	3	3	364,939.12	2	292,314.36
<b>555</b>	<b>Program Management Section</b>					
HP20	Managing Civil Engineer	1	1		1	
HP17	Senior Civil Engineer	1	1		-	
HP17	Senior Electrical Engineer	1	1		1	

Fund: Corporate Dept: Engineering Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP15	Associate Civil Engineer	1	1		2	
HP14	Assistant Civil Engineer	1	1		1	
HP14	Assistant Mechanical Engineer	1	1		1	
HP13	Senior Administrative Specialist	1	1		1	
TOTAL	Program Management Section	7	7	768,742.26	7	807,232.66
<b>556</b>	<b>Construction Field Services Section</b>					
HP20	Managing Civil Engineer	1	1		1	
HP18	Principal Civil Engineer	3	4		4	
HP18	Principal Electrical Engineer	3	3		3	
HP18	Principal Engineer	1	-		-	
HP17	Senior Civil Engineer	10	10		10	
HP17	Senior Electrical Engineer	3	3		3	
HP17	Senior Mechanical Engineer	2	2		2	
HP15	Associate Civil Engineer	11	11		11	
HP15	Associate Civil Engineer #2 (Engineering Technician V) (New Grade HP14)	-	-		1	
HP15	Associate Electrical Engineer	3	3		3	
HP15	Associate Mechanical Engineer	2	2		4	
HP15	Associate Structural Engineer	1	1		1	
HP14	Assistant Civil Engineer	7	7		6	
HP14	Assistant Electrical Engineer	2	2		2	
HP14	Assistant Mechanical Engineer	1	1		1	
HP14	Engineering Technician V	11	12		12	
HP14	Engineering Technician V #4	4	3		3	
HP12	Administrative Assistant #2 (Administrative Specialist) (New Grade HP11)	1	1		1	
HP12	Engineering Technician IV	8	9		9	
HP12	Engineering Technician IV #4	2	1		1	
HP11	Administrative Specialist	-	1		-	

Fund: Corporate Dept: Engineering Division:		POSITION ANALYSIS				
		2015	2016		2017	
					PROPOSED BY THE EXECUTIVE DIRECTOR	
PAY PLAN & GRADE	CLASS TITLE	ACTUAL FTEs	BUDGETED FTEs	APPROPRIATION IN DOLLARS	BUDGETED FTEs	APPROPRIATION IN DOLLARS
HP11	Engineering Technician III	6	6		6	
TOTAL	Construction Field Services Section	82	83	8,414,026.66	84	8,694,545.86
TOTAL	Construction Division	92	93	9,547,708.04	93	9,794,092.88
TOTAL	Engineering	242	244	26,554,650.20	246	27,069,788.72
TOTAL	Stormwater Management Fund Positions	(*28)	(*32)		(*30)	

Note: Thirty positions budgeted in Sections 516 and 522 are funded by the Stormwater Management Fund, while the operations remain in the Engineering Department.

NOTE: Departmental appropriation totals for salaries in the Position Analysis differ from those contained in the Line Item Analysis by a factor identified to adjust for vacancies. Salary ranges corresponding to the pay plan and grade for each class title can be found in the table of Salary Schedules in the Appendix.

**NOTE PAGE**