



Committee on Budget and Employment

Executive Director's
2014 Budget Recommendations
November 2013

Revised November 6, 2013



Maintenance & Operations Department

Executive Director's
2014 Budget Recommendations
November 2013



M&O - All Divisions

Appropriations

Positions

2014		\$176,233,200		951
2013		169,568,000		947
Change	↑	\$ 6,665,200		↑ 4
		3.9%		

Note: 32 operational positions are funded by the Stormwater Management Fund.



Major Initiatives & Changes Energy & Chemicals

- Electricity
 - Continued to realize approximate savings of \$10 million annually for electricity as a result of reverse auction.
 - Extended the contract into 2014, to allow for an additional expected savings of \$900,000 in 2014.
 - Continue to keep abreast of the market conditions to allow to extend the contract into 2015.
- Entered into an Intergovernmental Agreement with the Chicago Public Building Commission to perform energy audits at major District facilities with a goal to identify energy efficiency projects and execute them in a timely manner utilizing various federal and state government grants and incentives.



Major Initiatives & Changes Energy & Chemicals (continued)

- Maximize Curtailment Program revenues
 - Approximate savings of \$165,000 were realized in curtailment compensation in 2013.
 - Investigate strategies to maximize curtailment compensation in 2014.
- Will use reverse auction platform to procure Natural Gas
 - *Expected savings of approximately \$100,000 in annual savings.*
- Maximize energy production at the Lockport Powerhouse



Major Initiatives & Changes Energy & Chemicals (continued)

- Exploring the potential for use of reverse auction in procurement of chemicals to allow for further cost savings.
- Continued elimination of centrifugation at the Calumet WRP is resulting in an annual cost savings in electricity, chemicals and personnel of approximately \$2 million. Optimization of centrifugation at the Stickney WRP is expected to result in an annual cost savings of approximately \$3 million.



Major Initiatives & Changes Energy & Chemicals (continued)

- Stickney WRP is piloting use of ammonia profile control to limit air use in one aeration tank with an initial goal of saving 25% of aeration air which would reduce our electric bill by 12.5%



Increase Use of Internal Resources for Maintenance & Repairs

- Continued in-sourcing of maintenance utilizing in-house trades has allowed for elimination of maintenance contracts for HVAC, switchgears, boilers, etc. resulting in an annual savings of \$25 million.
- Continued use of Construction Fund and staff engineers will allow for efficient and innovative upgrades of facilities, such as upcoming green roof installation at the Racine Avenue Pumping Station, a green parking lot installation at the Egan WRP, etc.



Major Initiatives & Changes Personnel

- Centralizing of services
 - Centralizing Biosolids and Collection Systems under one division has resulted in a more consistent and efficient operation at a lower cost.
 - Centralized Buildings and Grounds services will allow for a more efficient and consistent maintenance program for roofs, landscape, native prairie landscaping, etc.
 - Continuous review and allocation/alignment of man power along with centralization when needed has allowed for several engineers to be transferred to the Engineering Department, in addition to eliminating 10+ engineer vacancies in the past two years.



M&O - General Division

Appropriations


Positions

2014		\$24,879,400		95
2013		24,369,600		100
Change	↑	\$ 509,800	↓	5
		2.1%		

Note: 23 operational positions are funded by the Stormwater Management Fund.



M&O - North Service Area

	Appropriations	Positions
2014	\$39,793,700	259
2013	37,025,300	257
Change 	\$ 2,768,400	 2
	7.5%	

Note: In 2014, there are no positions funded by the Stormwater Management Fund for the North Service Area.



M&O - Calumet Service Area

	Appropriations	Positions
2014	\$32,998,500	201
2013	32,327,500	199
Change	↑ \$ 671,000	↑ 2
	2.1%	

Note: In 2014, there are no positions funded by the Stormwater Management Fund for the Calumet Service Area.



M&O - Stickney Service Area

	Appropriations	Positions
2014	\$78,561,600	396
2013	75,845,600	391
Change	↑ \$ 2,716,000	↑ 5
	3.6%	

Note: 9 operational positions are funded by the Stormwater Management Fund.



Construction Fund Appropriations

2014 \$54,000,000

2013 40,811,900

Change ↑ \$13,188,100

32.3%



Engineering Department

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Engineering - Corporate Fund

Appropriations

Positions

2014	\$55,850,900	241
2013	26,075,600	242
Change	↑ \$29,775,300	↓ 1

114.2%



Capital Improvements Bond Fund

Appropriations

2014 \$360,782,300

2013 349,648,800

Change ↑ \$ 11,133,500

3.2%



Major Initiatives & Changes

- Ensure financial stability
 - Stabilize Capital Improvement Program (CIP) expenditures
 - Develop the CIP justification, rating tool
- Be environmentally responsible
 - Fully utilize digester gas
 - Remove/recover phosphorus
 - Present proposed Infiltration and Inflow Reduction Plan to the Board of Commissioners for consideration



Significant Construction Completions - 2013

- Wilmette Pumping Station Rehabilitation
- Gloria Alitto Majewski CUP Reservoir Repair and Rehabilitation
- 39th Street Conduit Rehabilitation
- Stickney WRP Fine Screen Replacement
- Blower #9, #10, and Air Main Replacement, Calumet WRP
- Blower #1 and #7 at O'Brien WRP, Blower #2 at Stickney WRP



Significant Construction Continuations

- Projects at the Thornton Composite Reservoir
- Sludge Thickening Facilities, Stickney WRP
- Ultraviolet Disinfection Facility, O'Brien WRP
- Chlorination/Dechlorination Facility, Calumet WRP
- Wet Weather Treatment Facilities, Lemont WRP



TARP

- Thornton Composite Reservoir
 - On schedule for 2015 completion
 - 7.9 BG storage of stormwater (3.1 BG) and combined sewage (4.8 BG) located in the North Lobe of the Thornton Quarry
- McCook Reservoir
 - Stage 1 – 3.5 BG
 - *2017 completion*
 - Stage 2 – Additional 6.5 BG
 - *2029 completion*



Design Initiatives

- Phosphorus Recovery Process, Stickney WRP
- Deammonification Process for Centrate, Egan WRP
- Digester Gas Utilization Processes, Stickney and Calumet WRPs
- Settling Tank Improvements, Batteries A, B, and C, O'Brien WRP
- Digester Piping and Hot Water Heating Improvements, Hanover Park WRP
- Upper Des Plaines Intercepting Sewer 11D Rehabilitation



Capital Improvement Program Project Performance

Uncompleted Construction Projects

Beginning Year	Percent Of Original	Percent Of Schedule
2006	4.38	252
2007	4.94	282
2008	6.28	386
2009	2.97	211
2010	.37	184
2011	4.04	123
2012	(.03)	144
2013	0.00	100

Completed Construction Projects

Beginning Year	Percent Of Original	Percent Of Schedule
2004	8.6	332.4
2005	0.3	158.2
2006	3.1	173.6
2007	0.0	149.8
2008	5.0	203.9
2009	1.4	143.3
2010	2.8	145.0
2011	1.5	119.7



Stormwater Management Fund

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Stormwater Management Fund

	Appropriations	Positions
2014	\$50,814,900	63 *
2013	61,251,000	49
Change	↓ \$10,436,100 (17.0%)	↑ 14

* Staff increase due to Watershed Management Ordinance implementation.



Major Initiatives & Changes

- Finalize implementation of Watershed Management Ordinance
- Initiate and/or continue final design of projects identified in the Detailed Watershed Plans and approved by the Board of Commissioners
- Continue to pursue/identify flooding Issues, partner with agencies with solution (Chicago Public Schools, Chi-Cal Rivers Fund, etc.)

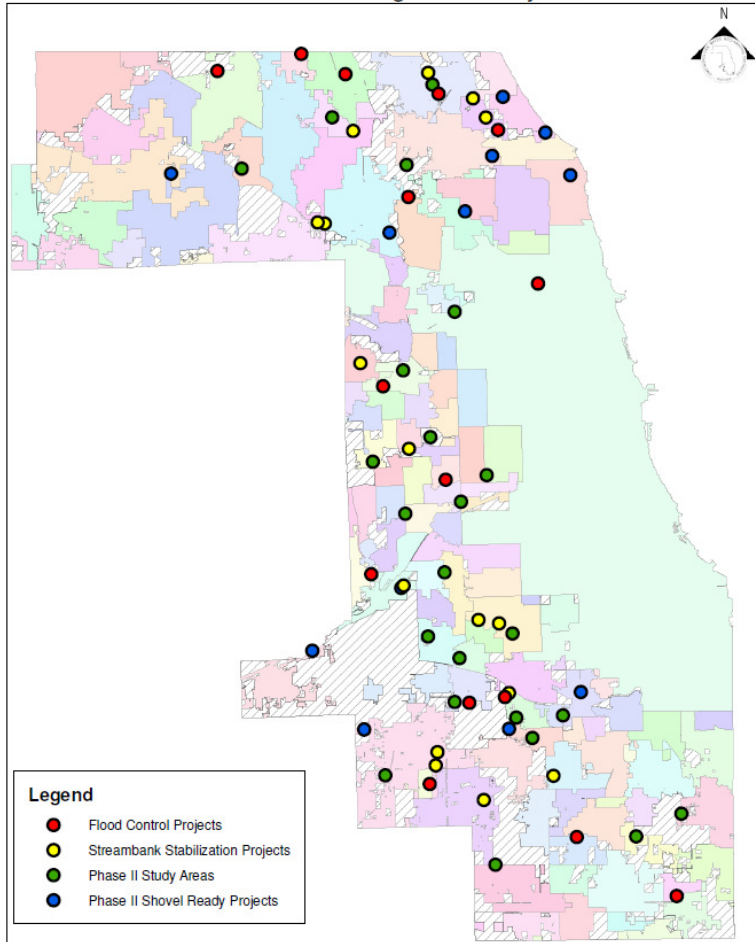


Major Initiatives and Changes (continued)

- Complete construction of Heritage Park Flood Control Facility project
- Award six Streambank Stabilization projects
- Award four Flood Control projects
- Stormwater Phase 2 Capital Projects
 - Collaborate with local agencies – 12 Projects in Design or shovel-ready
 - Develop solutions for 27 problem areas identified
- Initiate Phase 2 studies for community-based wet weather plans
- Continue Small Streams Maintenance Program



Stormwater Management Projects





Monitoring & Research Department

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Monitoring & Research Department

		Appropriations		Positions
2014		\$27,533,100		288
2013		27,162,900		286
Change	↑	\$ 370,200		↑ 2
			1.4%	



Major Initiatives & Changes

- Process Facility Capital Planning Studies
 - Complete planning study phase of the Stickney WRP West Side Aerated Grit and Primary Settling Tank evaluation projects
 - Update WRP process models for future master planning
 - Lead formulation of District-wide odor master plan
- Resource Recovery
 - Lead development of operational parameters and identify capital improvements to optimize enhanced biological phosphorus removal at four WRPs
 - Support design of the Stickney WRP phosphorus recovery facility



Major Initiatives & Changes (continued)

- Microconstituents
 - Collaborating in a study of the effectiveness of UV and Cl based disinfection on reduction in microconstituent activity
 - Completing studies of fate of microconstituents in biosolids
- Biosolids
 - Lead development of a Master Plan
 - Support production of value added biosolids products
 - Address current regulatory impediments to unrestricted marketing and revenue generation



Major Initiatives & Changes (continued)

- Streamline operations and seek administrative efficiency
 - Complete development of new PIMS, for automation, and streamlining of pretreatment & user charge administration
 - Upgrade LIMS software for more efficient processing of data from >1 million analyses conducted annually
 - Reorganize IWD Field Services Section into four regions
 - Initiate study to support request for reduction in groundwater monitoring associated with TARP tunnels



Major Initiatives & Changes (continued)

- CAWS Recreational Use Attainment
 - Continue a study (pre-disinfection/reservoir phase) to identify and understand sources of bacterial pollution of the CAWS
 - Complete linked TARP-CAWS 3D hydrodynamic and water quality model



Finance Department

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Finance Department

		Appropriations		Positions
2014		\$3,539,800		29
2013		3,522,100		29
Change	↑	\$ 17,700	⇒	0
		0.5%		



Major Initiatives & Changes

- Continue to promote cost-effective solutions through automation
 - Implement time management solution
 - Implement SAP Accounts Receivable module
- Mitigate risk and improve SAP internal control monitoring
- Increase transparency and accountability by developing quarterly financial reports



Law Department

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Law Department

Appropriations

Positions

2014		\$8,099,200		36
2013		8,803,000		38
Change	↓	703,800	↓	2
		(8.0%)		



Major Initiatives & Changes

- In conjunction with the Information Technology Department, develop and implement a Geographical Information System for real estate inventory, information, and tracking of the District's real estate holdings
- Assist the Diversity Section and consultant in conducting a disparity study and implementing an updated and revised Affirmative Action Ordinance Appendix D
- Implement a Document and Litigation Case Management System



Procurement & Materials Management Department

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Procurement & Materials Management Department

		Appropriations		Positions
2014		\$9,272,200		62
2013		8,999,300		62
Change	↑	\$ 272,900	⇒	0
		3.0%		



Major Initiatives & Changes

- Continued commitment to customer service and transparency by providing information on contracts, which includes a collaboration area for submitting questions and the status of awarded contracts
- Continued enhancements of the SAP Procurement module for Public Sector
- Development of training courses for requisition processing, sealed bidding, and request for proposal procedures
- Initiate an ink and toner cartridge recycling program



General Administration

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General Administration

		Appropriations		Positions
2014		\$18,680,300		112
2013		45,904,400 *		109
Change	↓	\$27,224,100	↑	3
		(59.3%)		

* The 2013 appropriation included a \$30 million equity transfer to the Retirement Fund.



Major Initiatives & Changes

Administrative Services Division

- Continuing enhancement of the District's budget presentation and receipt of the GFOA Distinguished Budget Award.
- Rehabilitation and maintenance projects at MOB Complex include: chiller teardown, replacement of washroom stalls, sealing of building exterior, rehabilitation of elevator mechanical systems at MOBA, and upgrade of elevator controls at MOB.
- Continued reduction of fleet vehicles not meeting minimum usage levels.
- Add Kirie and Egan WRPs for participation in DEA's Drug Take-Back collection events.



Major Initiatives & Changes (continued)

Diversity Section

- 2014 Disparity Study to review Construction and Professional Services programs and other initiatives for possible inclusion in the District's Affirmative Action Ordinance (to be presented for Board approval in the fourth quarter of 2014).
- Development of MBE/WBE/SBE Reports of Awards and Payments in EMS PRISM.



Major Initiatives & Changes (continued)

Diversity Section

- Expand public outreach, vendor certifications, and contract monitoring in 2014.
 - 24 public outreach events with District participation in 2013
 - 152 MBE and WBE vendors certified in 2013 (as of third quarter)
 - 2013 awards with MBE/WBE participation (as of third quarter)
 - *10 M&O and Engineering Department contracts*
 - *6 Professional Service contracts*
 - *12 JOC projects*



Major Initiatives & Changes (continued)

Office of Public Affairs

- Use a variety of tactics and media (press releases, events, brochures, web content, social media, etc.) to:
 - Continue to promote the District's achievements, inform the public about our work and areas of responsibility, and encourage public involvement in improving water quality and preventing flooding.
 - Celebrate the District's 125th anniversary. Use the event to promote the MWRD's achievements and inform the public about our work and areas of responsibility.
 - Host deammonification ribbon-cutting at the Egan WRP.
 - Implement the biosolids marketing strategy.



Major Initiatives & Changes (continued)

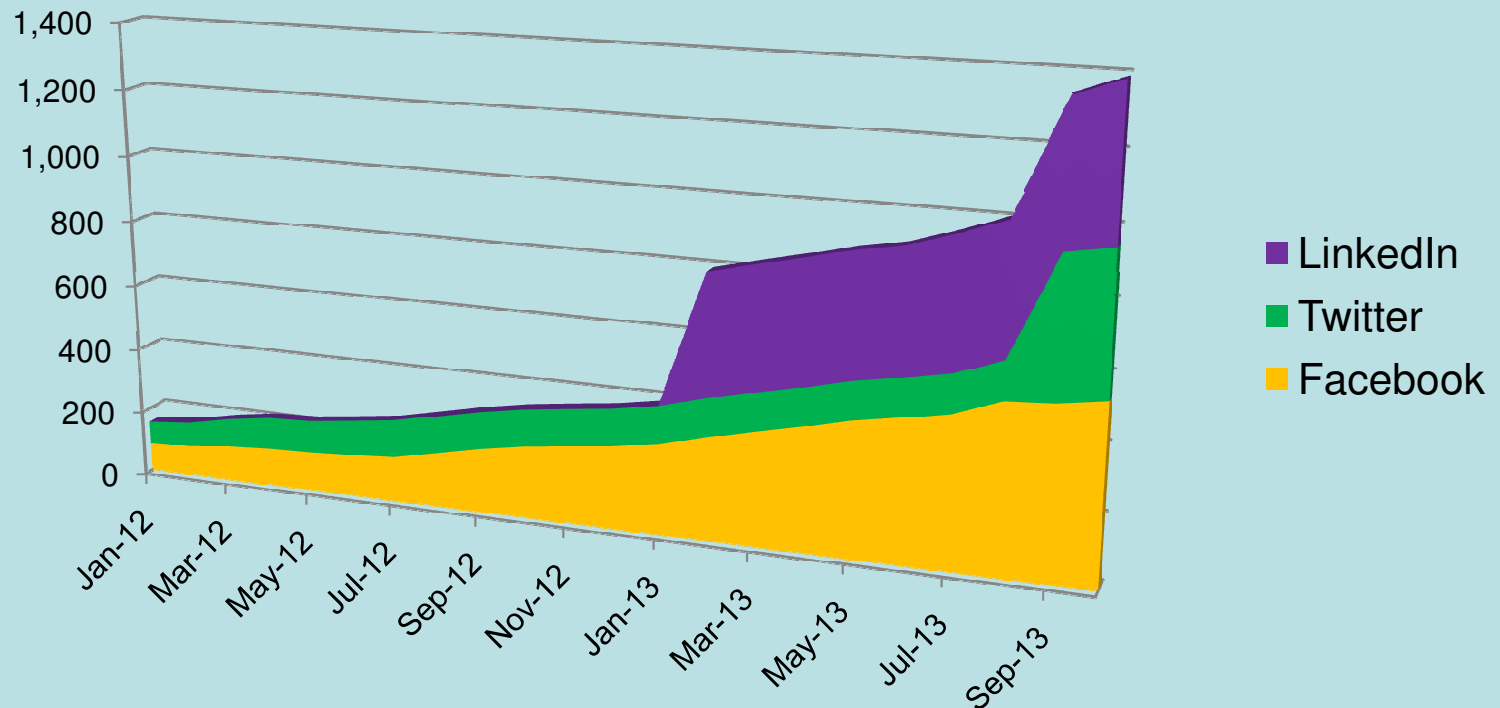
Office of Public Affairs

- Support the District's relationship with key stakeholders
 - Includes municipalities, industrial and tax-exempt users, non-governmental organizations, regulatory agencies, local, state, and federal government.
- Produce a new customer service and communications-focused external web site for the District.
 - The new web site will be user-friendly and customer service-oriented.



Social Media Dashboard 2012 - 2013

of Likes (Facebook) or
Followers (Twitter & LinkedIn)





Information Technology Department

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Information Technology Department

		Appropriations		Positions
2014		\$15,986,700		70
2013		15,801,700		70
Change	↑	\$ 185,000	⇒	0
		1.2%		



2013 Review

- 2013 has been a period of transition in the ITD.
- Change of ITD culture required significant attention.
- New focus on delivery of services to the departments, i.e., improve customer service.
- Emphasis on internal ITD collaboration.
- Develop efficient and effective processes to ensure successful project implementations.

Goal: Deliver high quality customer service and technology solutions



2013 Accomplishments

- Increased Organizational Transparency
 - Enhanced online contract announcement application
 - *Procurement Collaboration Room for registered vendors*
 - Affirmative Action system compliance software system (Prism)
 - *M/WBE notification of payments made to Prime Contractors*
 - Improved video conferencing including streaming/indexed Board meetings
- GIS Applications and Integration
 - Small Streams Maintenance Program (SSMP)
 - Incident reporting and workflow
 - Farmfield inspections and mobile application
 - Industrial Waste Users reporting application
- Upgraded video network to high definition videoconferencing
- Increased bandwidth at MOB, MOBA, and Stickney WRP



Major Initiatives & Changes

- SAP evaluation and update
- Performance dashboards
- Migration to Microsoft Office 365
- Risk Management system
- Consolidation of IT infrastructure and software technologies



Human Resources Department

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Human Resources Department

	Appropriations	Positions
2014	\$74,878,500	72 *
2013	73,963,900	58
Change	↑ \$ 914,600	↑ 14
	1.2%	

* Position increase includes 12 paid Interns and the transfer in of two positions for Workmen's Compensation.



Major Initiatives & Changes

- Develop and administer 50 Civil Service examinations
- Negotiate six collective bargaining agreements
- Implement Pharmacy Benefits Manager & Employer Group Waiver Plan
- Assume Claims and Return-to-Work Program responsibilities



Engineer Classification Changes

- AETPO I becomes Principal Engineer
- AETPO II and III become Managing Engineers
- Supervising engineers become Managing Engineers
(example: Managing Structural Engineer)
- Contract Administrator becomes Principal Engineer
- Construction Claims Administrator becomes Managing Engineer
- Lines of promotion opened up to all disciplines
- Entry level engineers participate in job rotation
- No grade changes



Internship Program

- 12 paid internships (\$13/hour)
- 12 unpaid internships
- Interns must be residents of Cook County
- Schools to recruit from initially are:
 - City Colleges
 - Columbia College
 - UIC
 - Other



Internship Program (continued)

- Interns will undergo:
 - Background check
 - Drug screen
 - Medical exam
 - Placement interview
- Internship will be structured as a learning experience, not a work experience



Board of Commissioners

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Board of Commissioners

		Appropriations		Positions
2014		\$3,972,900		37
2013		3,807,000		37
Change	↑	\$ 165,900	⇒	0
		4.4%		



Major Initiatives & Changes

Board of Commissioners

- Establish policies and programs for the District
- Promote the District's Legislative Program with the state and federal governments
- Provide a forum to encourage community participation



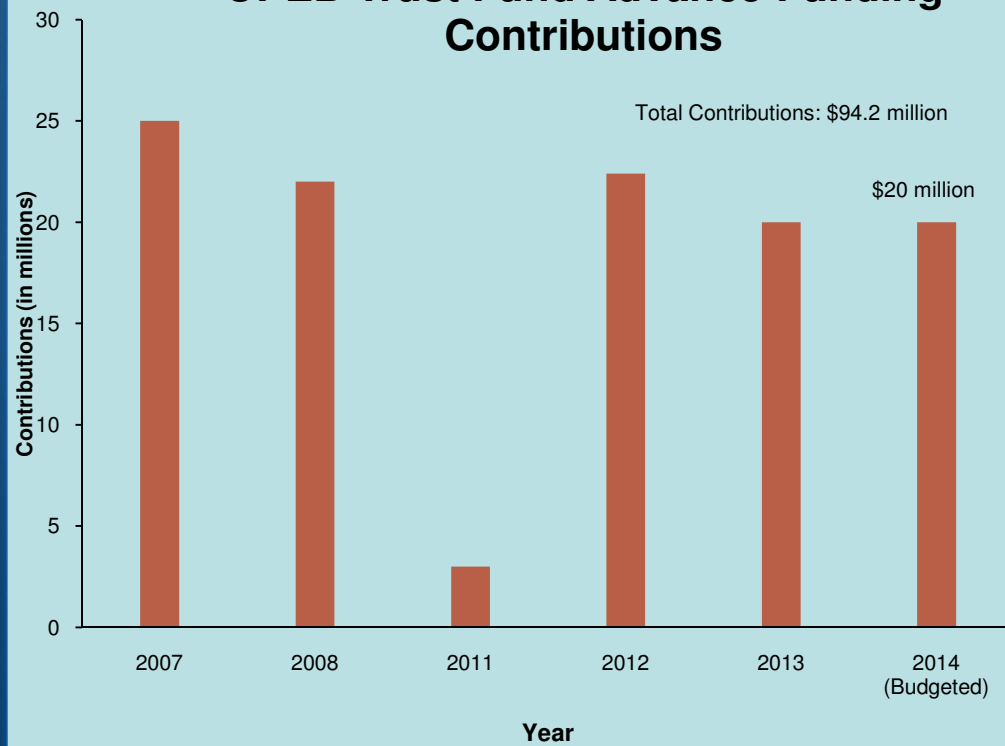
Major Initiatives & Changes (continued)

Treasury

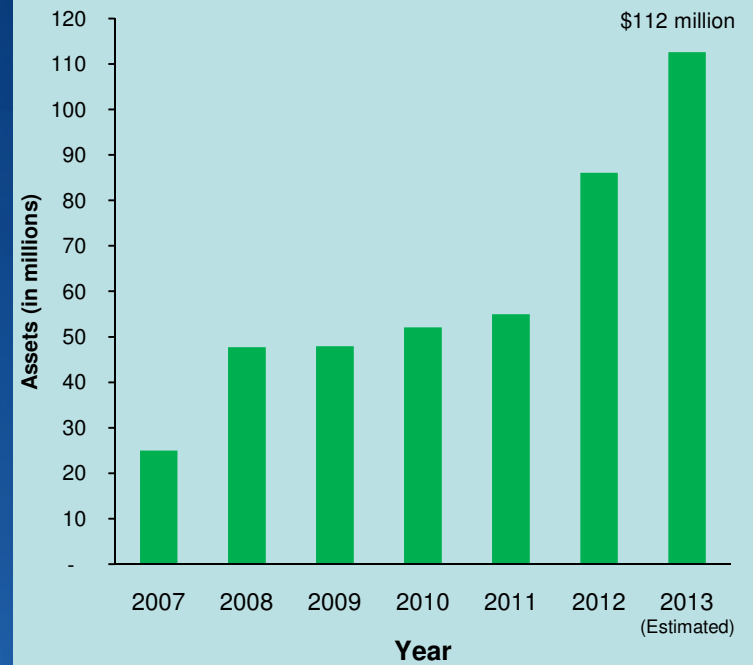
- Collaborate with the Engineering and Law departments to create administrative procedures, legal, and financing documents defining the Local Government Assistance Program Loan Guidelines
- Complete development of disclosure and record retention policies to satisfy SEC and IRS compliance requirements related to bond sales
- Issue approximately \$150 million in Capital Improvements Bonds to meet the funding needs for Thornton Reservoir and Stormwater Capital Projects



OPEB Trust Fund Advance Funding Contributions



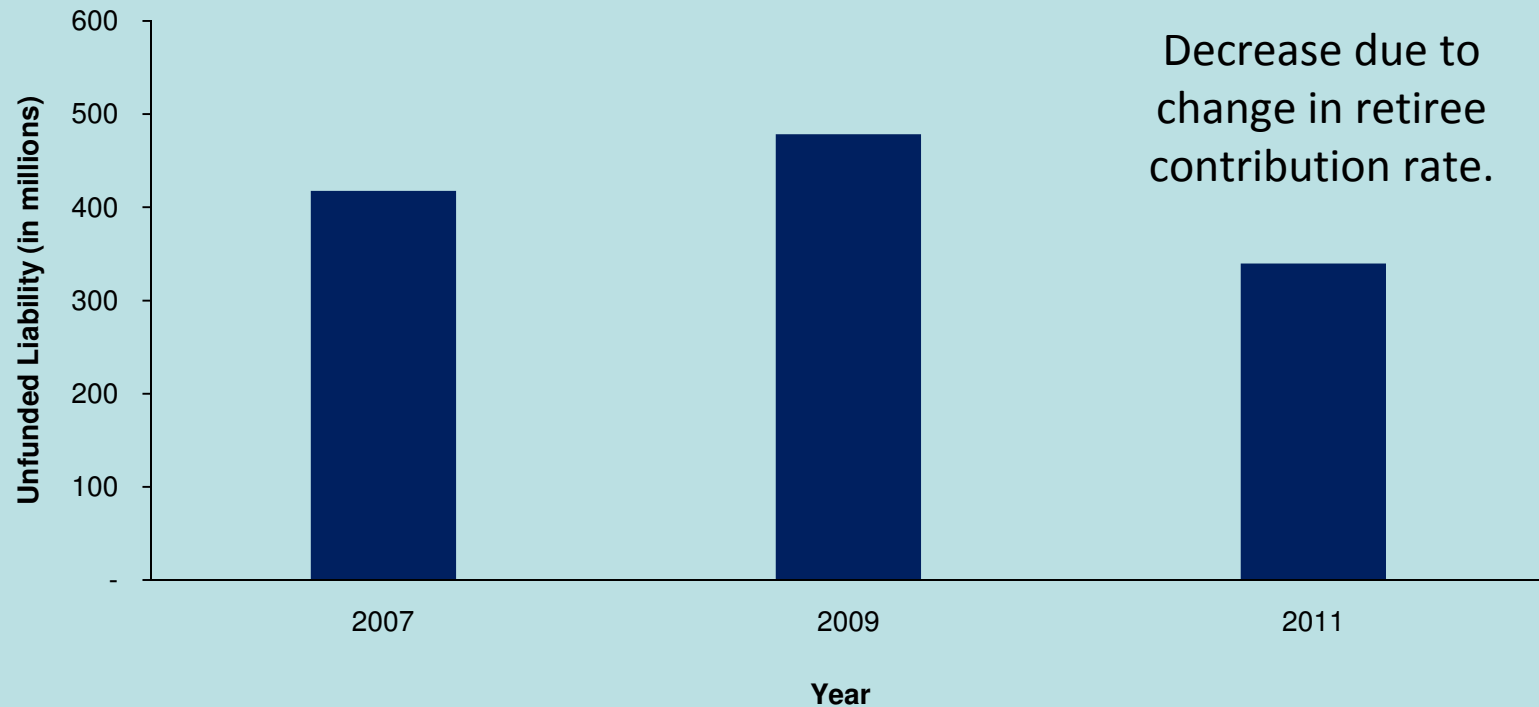
OPEB Trust Fund Net Assets





OPEB Funded Status

OPEB Unfunded Liability





Retirement Fund

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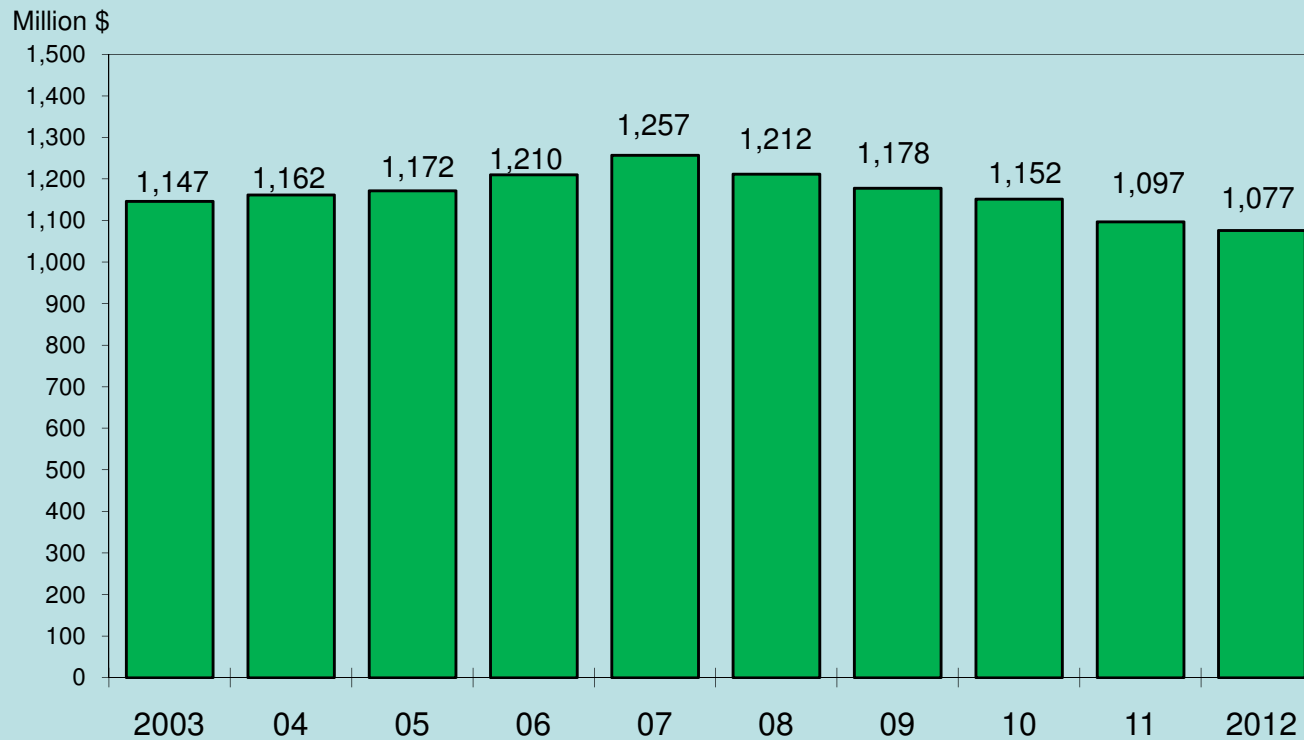


Major Initiatives & Changes

- Legislative Initiatives
- Financial Position

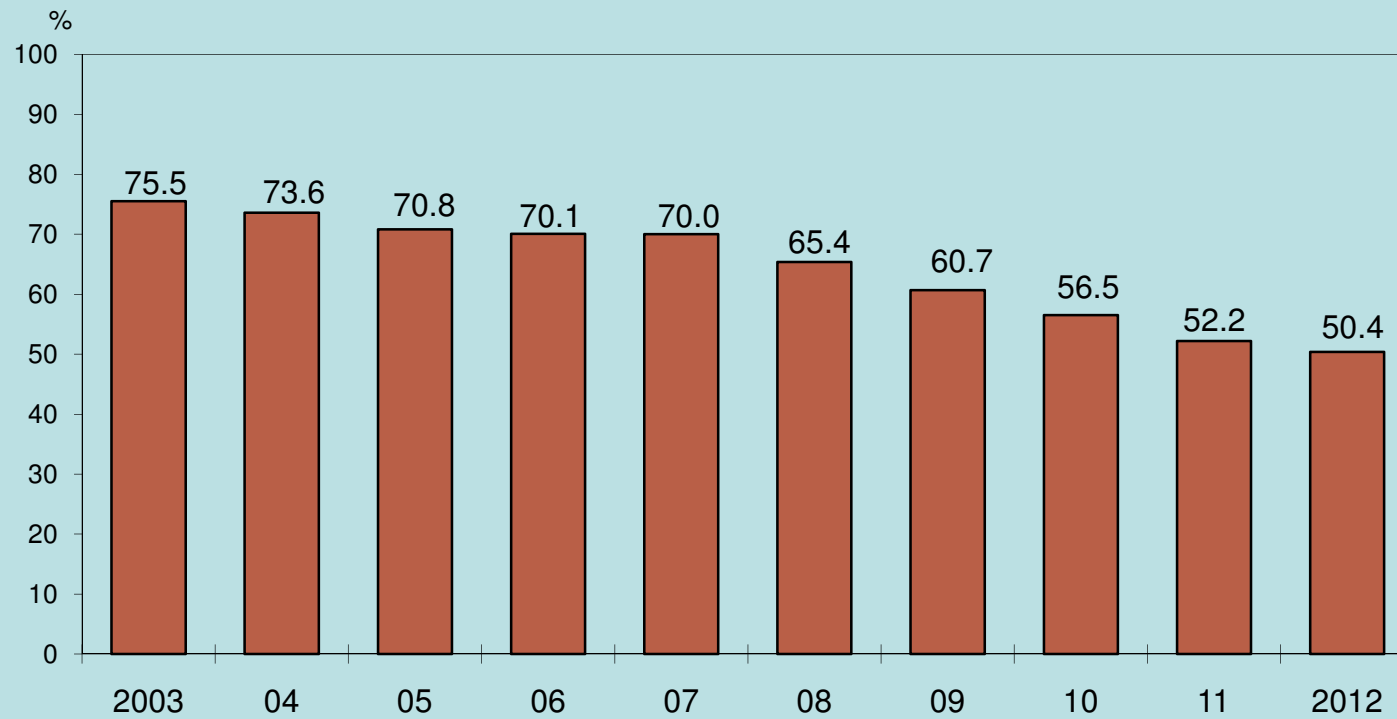


Actuarial Value of Assets from 2003 to 2012





Funded Ratio





District Retirement Obligations

As of December 31, 2012

	Actuarial Value of Assets	\$1.1 billion
	Total Actuarial Liability	2.1 billion
	Funded Ratio	50.4 %
2013	Annual Required Contribution	\$74.8 million
2014	Expected Employer Tax Levy	\$63.0 million
	Additional Employer Contribution	\$12.0 million
	Over Annual Required Contribution	\$ 0.2 million



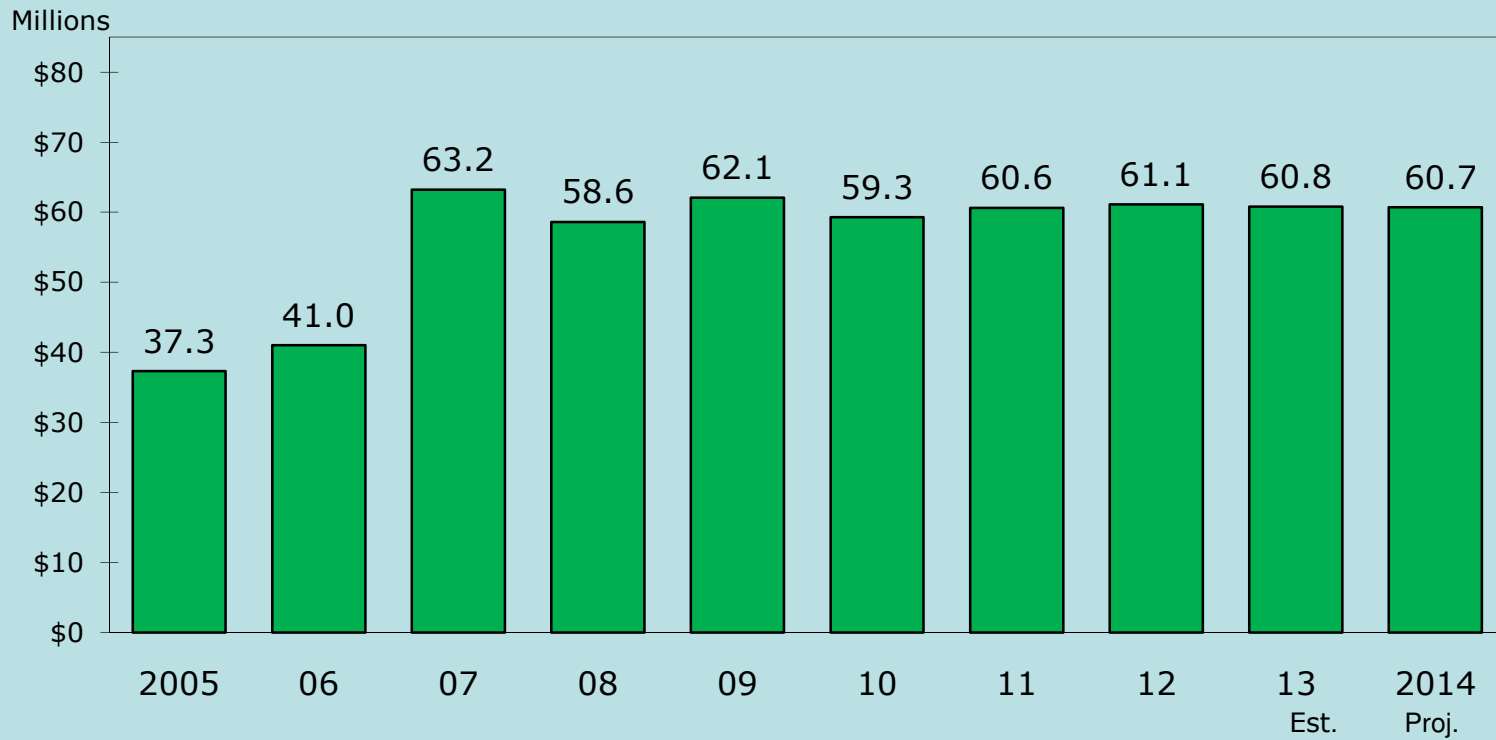
Reserve Claim Fund

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Reserve Claim Fund

Fund Balance





Questions?

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