

WATER AND SANITARY SEWER FUND REVENUE BUDGET FOOTNOTES

1) Metered Revenues:

FY05/06 Estimate (Water = \$4,970,000 / Sanitary Sewer = \$3,650,000) - Estimated water revenues are above the FY05/06 budgeted amount due to larger than anticipated water sales during the fiscal year. During the summer of 2005, northeastern Illinois experienced significant heat and drought conditions resulting in a spike in water consumption. Sanitary sewer billings, which are based on recorded water consumption, have also increased (by \$310,000 over FY04/05 actual revenues). Sanitary sewer service billings are expected to end FY05/06 below the budget amount of \$3,710,000 which was estimated too high, and did not account for some 200 Glen Ellyn residential accounts which maintain their own septic systems or are served by the Wheaton Sanitary District (Derby Glen area).

FY06/07 Budget (Water = \$4,740,000 / Sanitary Sewer = \$3,520,000) - Projected revenues for metered revenue for water and sanitary sewer are based on estimated water purchased from the DuPage Water Commission of 1.03 billion gallons. We typically bill about 92% of the water we purchase (a portion of the water we purchase is unmetered or otherwise unaccounted for and is unbilled; examples include hydrant flushing, system leaks, meter accuracy). Using a 92% of water purchased rate, we would expect to bill 948,000,000 gallons in FY06/07.

Water = 948,000 X \$5.00*/1000 gal = approx. \$4,740,000

Sanitary Sewer = 900,000** X \$3.91/1000 gal = approx. \$3,520,000

* The current rate for in-town customers (eff. 5/1/04) is \$4.92/1,000 gal. The average rate shown above is \$5.00/1,000 gal to account for water sales at \$7.38/1,000 gal to approximately 150 non-resident accounts who are charged 150% of the resident/in-town rate.

** There are approximately 200 Glen Ellyn water consumers who presently do not receive sanitary sewer service and are served either by private septic systems, the Wheaton Sanitary District, or the DuPage County Sewer System. Water consumption which serves as the basis for billed sanitary sewer service averages approximately 900 million gallons per year. Non-resident sanitary sewer customers are charged 105% of resident rates (due to Federal grant requirements related to Glenbard Wastewater Authority).

Note: On April 28, 2003, the Village Board approved a two-step rate increase in water and sanitary sewer charges based on recommendations presented by our Capital Improvements Commission (CIC). This was the first rate increase in the previous 9 year period. In early 2003, the CIC completed a review of the long-term capital needs of the Village's aging, 90 year old water and sanitary sewer system which resulted in recommending a detailed 10-year capital improvement program.

Rate increases were recommended to provide funding to pay for:

- Water and sanitary sewer system improvements associated with the 20 year street and storm sewer improvement program.
- Capital improvements due to recommendations from our water system master plan (12/02), and sanitary sewer evaluation study (SSES) (12/02).
- Increased operating costs of the fund (The Consumer Price Index has increased by 22% during the nine year period since rates were last increased).

The approved, initial two-step rate increase became effective with utility bills prepared beginning July 1, 2003 (15%) and May 1, 2004 (7.5%). The third, 5% rate adjustment was planned for May, 2006, but is deferred until May 1, 2007 because the DuPage Water Commission reduced their wholesale water rate to \$1.45 per 1,000 gallons, which reduced our annual water purchase cost by \$200,000. No tax dollars are used to pay for the upkeep of the water and sanitary sewer systems.

- 2) **Water Main Construction Reimbursements: (\$42,000)** As the Village expands its boundaries into unincorporated areas over time, it seeks to recoup the initial capital costs of extending water and sanitary sewer services to the immediately benefited property owners. Planned reimbursements for FY05/06 and FY06/07 include:

<u>Project Location</u>	<u>FY05/06 Estimate</u>	<u>FY06/07 Budget</u>
Clifton / Ellynwood / Scott Valley Road	\$24,000 8,000	\$21,000 8,000
Arboretum Estates East	<u>68,000</u>	<u>13,000</u>
Total	<u>\$100,000</u>	<u>\$42,000</u>

- 3) **Water Connection Fees: (\$150,000)** A fee is charged for service connections to Village water mains based on the size of the water service installed.
- 4) **Interest Income: (\$25,000)** – Based on average cash balances of \$1 million earning interest at 4.5% (\$50,000) and split evenly between the Water and Sanitary Sewer Divisions (\$25,000 each).
- 5) **Loan Proceeds – Hill Avenue Water Extension: (\$1,360,000)** A low interest loan will be pursued through the Illinois EPA’s revolving loan program. Loan proceeds will pay for the estimated construction cost of the East Hill Avenue water main extension project.
- 6) **Illinois American Water: (\$500,000)** The Illinois American Water Company (formerly Citizens Utilities) is a privately owned utility company that serves an area south of Butterfield Road (such as the Valley View subdivision), and an area east of the river, north of

Butterfield Road. Illinois American is a sanitary sewer customer of the Village of Glen Ellyn whose sewage is treated by, and represents about 9% of the total sewage flow treated by the Glenbard Wastewater Authority (GWA). Illinois American pays Glen Ellyn fees for sewage treatment at a rate based on the Wastewater Authority's operating budget and maintenance costs of the South Regional Interceptor which is the transmission line to the GWA.

- 7) **DuPage County: (\$320,000)** There are some 480 unincorporated addresses north of Glen Ellyn which are on the DuPage County sanitary sewer collection and utility billing system but whose sanitary sewage is treated by the Glenbard Wastewater Authority. DuPage County remits amounts billed for sanitary sewer service to the Village on a bi-monthly basis.
- 8) **Sanitary Sewer Repair Reimbursement: (\$300,000)** This account is designed to assist residents with a 50-50 share cost of repairs to their private sanitary service lines under a street or within 10 feet of the edge of a street. Each village utility customer address with a sanitary sewer charge pays \$2 per month to fund this program. An additional flat charge of \$1 per month (\$100,000 annual) is proposed for May 1, 2006 to assist the Village in completing "inflow and infiltration" reduction projects which will reduce the amount of storm water ("clear water") which enters the sanitary sewer system. This "clear water" increases sewage treatment costs, causes capacity problems at the Glenbard Wastewater Plant, and causes sewage back-ups into some homes during significant storm events.
- 9) **Loan Proceeds – Lambert Farms: (\$1,273,000)** - Proposed in the FY06/07 budget is the addition of sanitary sewer in this section of the Village in conjunction with storm sewer construction which has already been planned for 2006. Funds will need to be borrowed to complete the sanitary sewer portion of this project (benefiting about 80 homes), repayment of which is proposed to be made through the establishment of a 20-year Special Service Area, which is a special property tax only on the property owners receiving the benefit of these improvements.
- 10) **GWA Rebate: FY05/06 Estimate (\$42,000)** - The Village jointly owns the Glenbard Wastewater Authority (GWA) with the Village of Lombard through an intergovernmental agreement adopted in 1977. Both Village's make monthly payments to the GWA to fund its operations and to provide for needed capital improvements and replacements. Following the completion of each fiscal year's audit report, rebates may be issued to the partners in the event actual costs for the previous year were less than the amount funded.
- 11) **IFT / MFT Fund: (\$50,000)** - Reimbursement from the Motor Fuel Tax Fund for storm sewer cleaning costs incurred by the Sanitary Sewer Division.