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Providing a Better Environment for South Central DuPage County

October 23, 2024

Submitted to DuPage County via Local Government Efficiency Act Report Submission Portal

Re: Downers Grove Sanitary District Local Government Efficiency Act Report

To Whom It Concerns:

The Downers Grove Sanitary District (DGSD or District) is pleased to submit this letter and its attachments collectively as the District's Local Government Efficiency Act Report as required by the Decennial Committee on Local Government Efficiency Act, Public Act 102-1088, and as amended by Public Act 102-1136. The DGSD Decennial Committee on Local Government Efficiency Act approved this report on October 22, 2024. The report is due November 16, 2024.

Decennial Committee on Local Government Efficiency Act

As required by the Decennial Committee on Local Government Efficiency Act, the District formed a Decennial Committee on Local Government Efficiency (Committee) on May 16, 2023. A position on the Committee was vacated when then District President Wallace D. Van Buren passed away in January of 2024. Trustee Mark Eddington was appointed to the Committee on April 16, 2024, to fill the vacant position.

The Committee consists of the following members:

- Amy E. Sejnost, Board of Trustees President/Committee Chair
- Jeremy M. Wang, Board of Trustees Vice President
- Mark Eddington, Board of Trustees Clerk
- Kenneth J. Rathje, Board of Local Improvements President
- Robert T. Jungwirth, Board of Local Improvements Member
- Mark Scacco, Board of Local Improvements Member
- Amy R. Underwood, General Manager
- Carly Shaw, Administrative Supervisor
- Lawrence C. Cox, Senior Advisor

Committee meetings were held on the following days:

- July 16, 2024
- September 24, 2024
- October 22, 2024

Meeting minutes for these meetings are provided in Attachment A. In addition, meeting agendas, minutes and packets are posted on the District's website.

Organizational Service Delivery Review and Analysis

The District commissioned the Northern Illinois University Center for Governmental Studies (NIU-CGS) to review and analyze the District's service delivery and organization design and to prepare a report to comply with the Decennial Committee on Local Government Efficiency Act. NIU-CGS prepared the report titled "Organizational Service Delivery Review and Analysis and Illinois Government Efficiency Act Compliance" which is provided in Attachment B. The report was presented to the Committee for review, and NIU-CGS has incorporated the Committee's comments into the report.

In addition to the report prepared by NIU-CGS, the Committee requested that the following supplemental information be provided to ensure that the requirements of the Local Government Efficiency Act are addressed.

Ordinances, Policies and Procedures

District ordinances, policies and procedures include but are not limited to the following:

- An Ordinance Regulating the Use of Sanitary Sewers (Sewer Use Ordinance)
- Pretreatment Ordinance
- Procurement Policy
- Prequalification Policy
- Credit Card and Line of Credit Use Policies and Procedures
- Investment Policy
- Fund Balance/Net Assets Policy
- Capital Assets Policy
- Internal Controls Documentation
- Identity Theft Protection Program
- Employee Policy Manual
- Safety Manual and other miscellaneous safety related programs, procedures and guidelines
- Sewer System Capacity, Management, Operations and Maintenance (CMOM) Plan
- Unsewered Area Plan
- Biosolids Distribution Brochure
- Biosolids Handbook

- Sanitary Sewer Backups and Sewer Rodding Handout
- BSSRAP (Building Sanitary Service Repair Assistance Program) Packet
- I/I (Inflow and Infiltration) Program Packet
- Cost Reimbursement Program for the Installation of Overhead Sewers Packet, including Sanitary Sewer Backup Handbook
- BURP (Back-Up Reimbursement Program) Packet
- Sewer Contractor's Checklist, Sewer Design Manual, sewer construction specifications and standard construction details

These documents are updated as needed to meet current laws and regulations and to ensure that the District continues providing the highest level of service to its customers in a fair and transparent manner, as efficiently as possible and while being good stewards of its customers' investment in the District. Most of these documents are available on the District's website (www.dgsd.org).

Intergovernmental Agreements

The District has the following long-term intergovernmental agreements (IGA) with other units of local government:

- DuPage County for sharing Geographic Information System (GIS) data
- Village of Downers Grove for sharing of Geographic Information System (GIS) data
- Village of Downers Grove for water consumption records and discontinuance of water service
- Village of Downers Grove for repairs and/or maintenance of public improvements
- Village of Downers Grove with regard to permitting and bonding requirements
- Village of Lisle for water consumption records and discontinuance of water service
- Village of Oak Brook for water consumption records
- Village of Westmont for permitting and bonding requirements
- Village of Westmont for water consumption records and discontinuance of water service

In addition to these ongoing IGAs, the District will execute IGAs with other units of government as individual projects or needs arise. For example, the District currently has an IGA with the Forest Preserve District of DuPage County for replacement of a bridge which carries a sanitary sewer pipe over St. Joseph Creek in the Maple Grove Forest Preserve.

Financial

In addition to the information on the District's finances and fiscal practices found in the attached report, it is worth noting the current status of the District's fiscal health. At the end of Fiscal Year 2023-24, DGSD had net fixed assets of \$73,343,023, cash and investments totaling \$10,923,907 and long-term debt of \$3,139,792. The debt is an interest free loan through the Illinois

Environment Protection Agency State Revolving Fund program. The District's Annual Financial Report (i.e., audit) for Fiscal Year 2023-24 is provided in Attachment C, and the District's Five-Year Financial Plan for Fiscal Years 2024-25 through 2028-29 is provided in Attachment D.

Typical Cost of Residential Service

Downers Grove Sanitary District customers currently pay \$2.75 per 1,000 gallons and a \$20 monthly fee for wastewater collection and treatment services. For comparison, user rates of the other four sanitary districts in DuPage County (i.e., Flagg Creek Water Reclamation District, Fox Metro Water Reclamation District, Salt Creek Sanitary District and Wheaton Sanitary District) range between \$3.25 and \$7.87 per 1,000 gallons. The monthly fees for the other four sanitary districts range between \$0 and \$15.65.

The Downers Grove Sanitary District levies property taxes for sanitary sewer system repairs and replacements. For a home assessed at the median value in the DGSD service area, the District estimates a customer pays \$45.37 per year based on the 2022 final tax rate. DGSD is the only sanitary district in DuPage County that collects property taxes.

The estimated total annual cost to a typical residential customer of the Downers Grove Sanitary District is currently \$549.37, assuming 96,000 gallons per year is used. For comparison, the estimated total annual cost for a typical resident customer of the other four DuPage County Sanitary Districts ranges between \$499.80 and \$760.00.

DGSD user rates and monthly fees, as well as the other rates and fees, are reviewed annually as part of the budget preparation and increased if necessary to ensure that the guidelines of the Fund Balance/Net Assets Policy are met.

Accountability

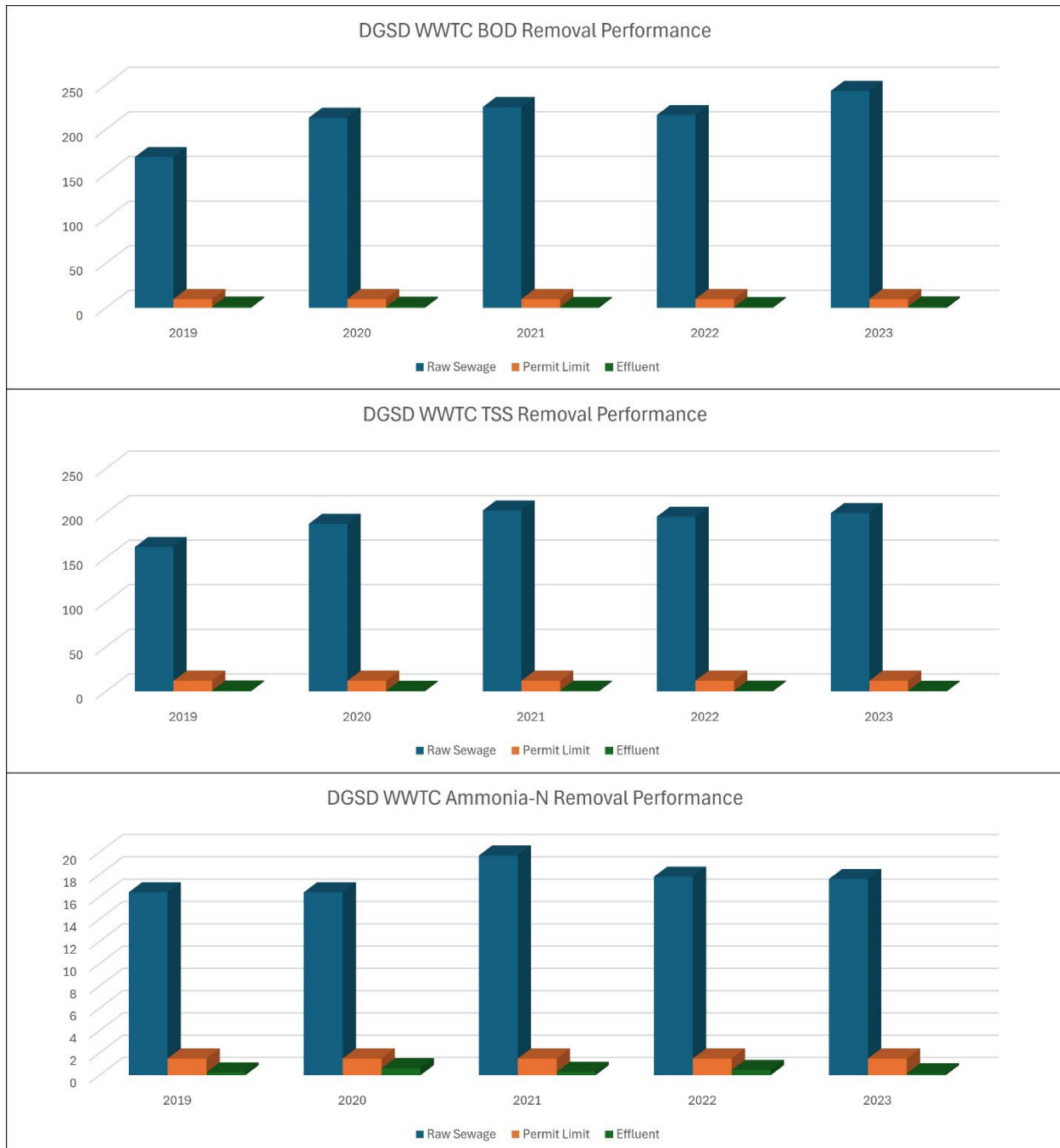
The District submits documents to the DuPage County Board Chair's Office in accordance with County Ordinance OCB-001-11 which requires County appointed bodies to provide specific management information either annually or within 30 days of modifications, depending on the document.

The DuPage County Ethics Ordinance is adopted within the District's Ethics Ordinance. All District Staff as well as the Trustees and members of the Board of Local Improvements complete ethics training through DuPage County annually.

The Trustees, Board of Local Improvements members, the General Manager and all Supervisors submit a statement of economic interest to DuPage County annually.

Environmental Compliance

The attached report mentions that the treated water discharged from the District's Wastewater Treatment Center (WWTC) is better than the required by its National Pollutant Discharge Elimination System (NPDES) Permit. The following graphs illustrate the performance of the WWTC over the last five years, comparing the influent and effluent concentrations of the three major pollutants identified in the District's NPDES permit with the corresponding permit limits.



The District received Peak Performance Silver Awards from the National Association of Clean Water Agencies (NACWA) in 2021 and 2023.

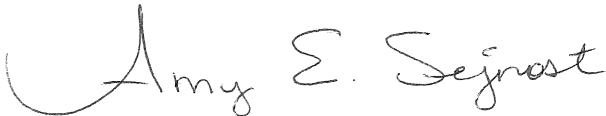
The District's commitment to the environment goes beyond what is required by its permits. The attached report describes the District's voluntary efforts to make its WWTC a net-zero energy facility. For these efforts, the District was recognized in 2016 by NACWA, the Water Environment Federation, the Water Environment Research Foundation and the United States Environmental Protection Agency as a "Utility of the Future." The District was also received an Earth Flag from SCARCE in 2020 to recognize its sustainability and energy efficiency efforts.

Conclusion

The District remains committed to accountable and efficient operations and will fulfill this through implementation of the recommendations and best practices identified in the attached report.

Sincerely,

DOWNERS GROVE SANITARY DISTRICT

A handwritten signature in cursive script that reads "Amy E. Sejnost". The signature is written in dark ink and is positioned above the printed name and title.

Amy E. Sejnost
President/Committee Chair

Enclosures

cc: DGSD Decennial Committee on Local Government Efficiency

ATTACHMENT A

**DOWNERS GROVE SANITARY DISTRICT
DECENNIAL COMMITTEE ON LOCAL GOVERNMENT EFFICIENCY ACT
MEETING MINUTES**

DECENNIAL COMMITTEE ON LOCAL GOVERNMENT EFFICIENCY
MINUTES

July 16, 2024

A meeting of the Downers Grove Sanitary District Decennial Committee on Local Government Efficiency was held on Tuesday, July 16, 2024, convening at 6:30 p.m. The meeting was held at the District's Administration Center, 2710 Curtiss Street, Downers Grove. Present were Trustees Amy E. Sejnost, Jeremy M. Wang, and Mark Eddington; Board of Local Improvements Members Kenneth J. Rathje, Robert T. Jungwirth, and Mark J. Scacco; General Manager Amy R. Underwood; Administrative Supervisor Carly Shaw; and Senior Advisor Lawrence C. Cox. Gregory Kuhn, Craig Anderson, and James Norris from the Northern Illinois University (NIU) Center for Government Studies (CGS) also attended.

Public Comment - None

Organizational Service Delivery Review and Analysis Update

The project team from the NIU CGS introduced themselves and provided an overview of their approach for the organizational service delivery review and analysis. They also provided a status update on the project.

The schedule was discussed. The next Decennial Committee meeting will be held at 6:00 p.m. on Tuesday, September 24. The final meeting was tentatively scheduled for Tuesday, October 15 before the Board of Trustees regular meeting. Members of the Committee requested that they be provided with the draft report earlier than the usual Friday before the meeting, so they have extra time to review it.

A motion was made by Trustee Eddington seconded by Trustee Wang to adjourn the meeting at 7:02 p.m. The motion carried.

Approved: September 24, 2024

/s/Amy E. Sejnost/s/
Committee Chair/District President

Attest: /s/Mark Eddington/s/
Clerk

DECENNIAL COMMITTEE ON LOCAL GOVERNMENT EFFICIENCY
MINUTES

September 24, 2024

A meeting of the Downers Grove Sanitary District Decennial Committee on Local Government Efficiency was held on Tuesday, September 24, 2024, convening at 6:00 p.m. The meeting was held at the District's Administration Center, 2710 Curtiss Street, Downers Grove. Present were the following Committee members: Trustees Amy E. Sejnost, Jeremy M. Wang, and Mark Eddington; Board of Local Improvements Members Kenneth J. Rathje and Robert T. Jungwirth; General Manager Amy R. Underwood; and Senior Advisor Lawrence C. Cox. Information Coordinator Alyssa J. Caballero and Craig Anderson from the Northern Illinois University (NIU) Center for Government Studies (CGS) also attended. The following Committee members were absent: Board of Local Improvements Member Mark J. Scacco and Administrative Supervisor Carly Shaw.

Minutes of Meeting – July 16, 2024

A motion was made by Trustee Wang seconded by Trustee Eddington approving the minutes of the meeting held on July 16, 2024 and authorizing the President and Clerk to sign same. The motion carried.

Public Comment - None

Organizational Service Delivery Review and Analysis Update

Craig Anderson from NIU CGS presented a draft of the report his team compiled.

Committee members presented their comments on the draft and requested more information and data be added to the report to better highlight the breadth of work the District does for the DuPage County Board and the community. Mr. Anderson accepted the feedback and noted he would revise the report.

The schedule for the final meeting was discussed. General Manager Underwood stated she would coordinate a date for the final meeting with the NIU CGS team once they have reviewed all the Committee members' comments. She will communicate the date to the Committee members once it is set.

A motion was made by Trustee Eddington seconded by Trustee Wang to adjourn the meeting at 6:46 p.m. The motion carried.

Approved: October 22, 2024

/s/Amy E. Sejnost/s/
Committee Chair/District President

Attest: /s/Mark Eddington/s/
Clerk

DECENNIAL COMMITTEE ON LOCAL GOVERNMENT EFFICIENCY
MINUTES

October 22, 2024

A meeting of the Downers Grove Sanitary District Decennial Committee on Local Government Efficiency was held on Tuesday, October 22, 2024, convening at 6:00 p.m. The meeting was held at the District's Administration Center, 2710 Curtiss Street, Downers Grove. Present were the following Committee members: Trustees Amy E. Sejnost, Jeremy M. Wang, and Mark Eddington; Board of Local Improvements Members Kenneth J. Rathje, Robert T. Jungwirth and Mark Scacco; General Manager Amy R. Underwood; and Administrative Supervisor Carly Shaw. Craig Anderson from the Northern Illinois University (NIU) Center for Government Studies (CGS) also attended. The following Committee members were absent: Senior Advisor Lawrence C. Cox.

Minutes of Meeting – September 24, 2024

A motion was made by BOLI President Rathje seconded by Trustee Wang approving the minutes of the meeting held on September 24, 2024 and authorizing the Committee Chair and Clerk to sign same. The motion carried.

Public Comment - None

Local Government Efficiency Act Report

Committee shared their feedback on the final report. They agreed to add the 5-year plan and current audit as an attachment to the submission to the County. A motion was made by BOLI President Rathje seconded by BOLI Clerk Scacco approving the Local Government Efficiency Act Report with the revisions as presented to be submitted to DuPage County and authorizing the Committee Chair to sign the report. The motion carried. (Votes recorded: Aye: All)

Minutes of Meeting – October 22, 2024

A motion was made by BOLI Clerk Scacco seconded by Trustee Wang approving the minutes of the meeting held on October 22, 2024 and authorizing the Committee Chair and Clerk to sign same. The motion carried.

A motion was made by BOLI Clerk Scacco seconded by Trustee Eddington to adjourn the meeting at 6:35 p.m. The motion carried.

Approved: October 22, 2024

/s/Amy E. Sejnost/s/
Committee Chair/District President

Attest: /s/Mark Eddington/s/
Clerk

ATTACHMENT B

**DOWNERS GROVE SANITARY DISTRICT
ORGANIZATION SERVICE DELIVERY REVIEW AND ANALYSIS AND ILLINOIS
LOCAL GOVERNMENT EFFICIENCY ACT COMPLIANCE**

**Downers Grove Sanitary District
Organizational Service Delivery Review and Analysis and
Illinois Local Government Efficiency Act Compliance**



October 2024

NIU-CGS Study Team Members	
Gregory Kuhn, PhD - Project Coordinator/Lead	James Norris, MPA - Local Government Management, Development, Finance and Organizational Specialist
Craig Anderson, MPA - Public Works, Public Utilities and Local Government Management Specialist	Jeanna Ballard, MPA - Local Government Management Specialist



NORTHERN ILLINOIS UNIVERSITY

**Center for
Governmental Studies**

Outreach, Engagement, and Regional Development

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I. Organizational Service Delivery Review and Analysis Scope

The Downers Grove Sanitary District (referred to as DGSD, or the “District”) retained the help of the Northern Illinois University Center for Governmental Studies (NIU-CGS) to undertake a service delivery and organization design analysis. This endeavor is intended to help determine systems, resources, approaches, and positional mixes that align with the District’s core service and operational requirements, as well as to strengthen strategies to utilize staff skills, equipment, and other District resources in the most effective manner.

The study includes a review to address compliance requirements of the Decennial Committees on Local Government Efficiency Act (Public Act 102-1088), effective June 10, 2022, herein called the Illinois Local Government Efficiency Act. This legislation requires a written report at least once every ten years to the County Board summarizing findings on local efficiencies of the District.

Components of the study include interviews with DGSD staff and Board members, evaluation of job analysis questionnaires, a guided tour of the wastewater treatment plant facilities, and review of pertinent information provided by District staff, as well as what is available on the District’s website. Thirty-eight staff members participated in interviews, which included a mix of individual and workgroup sessions. An individual interview was conducted with each Trustee, and an individual interview was conducted with the Senior Advisor. Also, each staff member was invited to complete a job analysis questionnaire to provide more detailed information about their specific job. Moving forward with this project reflects the District’s commitment to effective and efficient service delivery for the benefit of its customers and the larger community.

II. Organizational Purpose and Description

Under the State of Illinois Sanitary District Act of 1917, the Downers Grove Sanitary District was organized in 1921, as a separate unit of local government to provide sanitary sewerage service for incorporated municipalities and other areas within its boundaries. The District’s treatment facilities were first located along Curtiss Street in the Village of Downers Grove. This original location is now the site of Sterling North Park.



Figure 1. Aerial Map of the DGSD WWTC
regulatory requirements.

The District's Administration Center, 2710 Curtiss Street, Downers Grove, is close to the current wastewater treatment center (WWTC), 5003 Walnut Avenue, also in Downers Grove. Construction of the current WWTC began in 1954. Expansion of the Walnut Avenue facility allowed closure of the Curtiss Street plant in the mid-1960s. The Walnut Avenue facility has had many improvements since its opening, including major expansions in the early 1970s and late 1980s. Additionally, the District's sewer system has been expanded by both the District and developers as development has occurred within its service area. It is noted that parts of the sewer system date back to 1904, requiring a dedicated commitment to maintenance of all pipes and structures in satisfactory working condition to meet expectations for service and compliance with

The District has begun the process of preparing a plan for updating its facilities to address present, anticipated, and potential needs associated with aging infrastructure, growth, and future regulations. The plan is intended to evaluate alternatives, allocation of resources and space to ensure continued smooth operations and maintenance, help align short-term and long-term goals, set priorities, and enable District eligibility for the IEPA Water Pollution Control Loan Program.

The DGSD is a regional provider of wastewater collection and treatment with a service area that includes most of the Village of Downers Grove, the Village of Westmont west of Cass Avenue, and portions of the Villages of Woodridge, Lisle, Oak Brook, and Darien as well as unincorporated areas. While the District serves some properties in unincorporated areas, most of the unincorporated areas shown in Figure 2 within the District's service area are unsewered. The District has an unsewered area plan available on its website which shows how it would provide sewer service to the unincorporated areas.

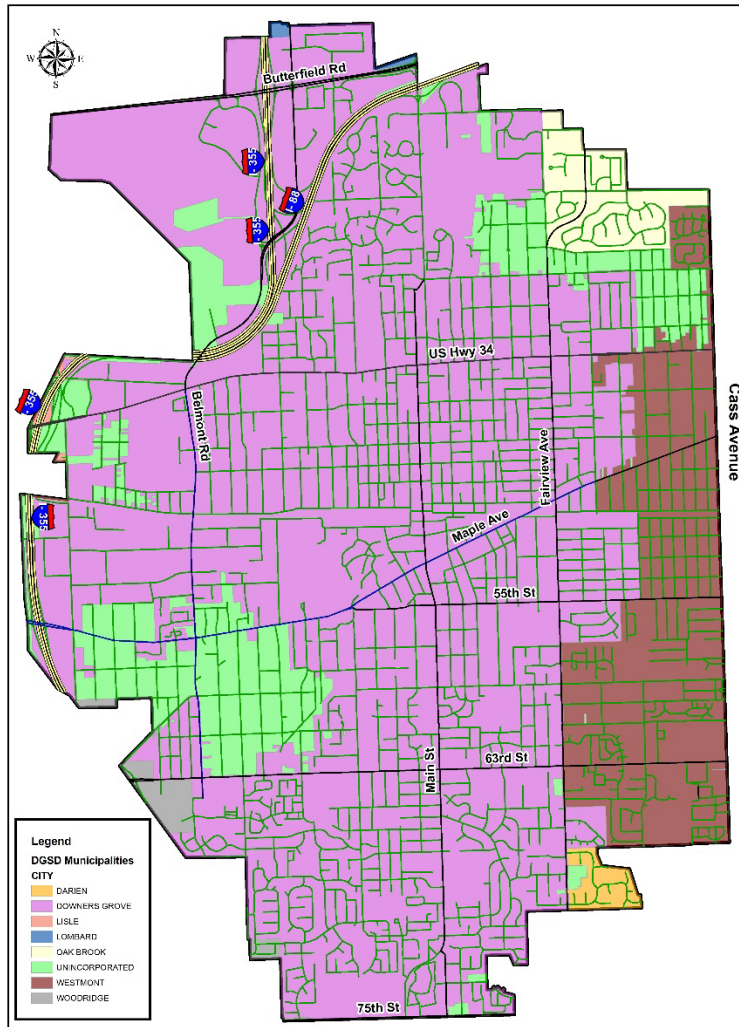


Figure 2. Map of communities served by DGSD

Thorough review of operations and functions reflects the District’s commitment to and emphasis on efficient and effective practices and procedures, including environmental impact and resource recovery.

The primary responsibilities of the DGSD are to provide sewer service, wastewater collection and treatment for residential, commercial, industrial, and institutional customers, while meeting the requirements of its National Pollutant Discharge Elimination System (NPDES) permit. The District serves over 60,000 people, which includes more than 20,000 customers. The WWTC has a design capacity for an average flow of 11 million gallons per day (MGD) and a wet weather capacity of 110 MGD.

The treated wastewater or effluent from the WWTC is discharged to the East Branch of the DuPage River and to St. Joseph Creek, as permitted by the State of Illinois with authority from the United States Environmental Protection Agency (USEPA). Effluent is not discharged to the St. Joseph Creek until flows exceed 30 MGD.

III. Organizational Structure, Facilities, and Operations

The DGSD is governed by a Board of Trustees, consisting of a President, Vice President, and Clerk, each appointed by the DuPage County Board Chair, with the advice and consent of the County Board, for a staggered three-year term. The Board of Trustees has the authority to enact ordinances as needed to define policies, services, and fees for the District.

The DGSD also has a Board of Local Improvements, consisting of a President, Vice President, and Clerk, each appointed by the District's Board of Trustees for a one-year term. The Board of Local Improvements has the authority to review and approve improvements to the sewer collection system, new sewer service, and sewer extensions. Also, it advises the Board of Trustees regarding the annexation of property into the DGSD service area.

The District's daily operations are the responsibility of thirty-nine staff members, most of whom are full-time. An overview of positions is provided below:

- **Management and oversight positions** include the General Manager, Administrative Supervisor, Laboratory Supervisor, Operations Supervisor, Maintenance Supervisor, Sewer Construction Supervisor, Sewer Maintenance Supervisor, Safety Coordinator, and Senior Advisor.
- **Maintenance and operations positions** include Laboratory Analysts, Biosolids Mechanics, Senior Operator, Operators, Senior Mechanic, Lead Mechanic, Mechanics, Electrical Technicians, Inspector, Permit Technician, Sewer System Engineering Technician, Senior Sewer System Technician, and Sewer System Technicians.
- **Administrative positions** include the Information Coordinator, Administrative Assistant, Senior Billing Coordinator, Billing Assistant, Office Clerical, and Accounting Assistants.

The District has an 18-step salary plan with four pay ranges, which include merit and cost of living adjustments. The length of employee retention is good. Human Resources responsibilities are shared by the General Manager and the Administrative Supervisor.

Safety in fulfilling the mission of the DGSD is a priority. The Safety Coordinator, part-time, indirectly supervises employees with respect to work safety. There is focus on procedures, training, documentation, and suggestions for repair and improvement of old infrastructure.

Administrative staff duties necessary for the District's operations include customer service, billing, accounting, record-keeping, payroll, and purchasing. Implementation of new accounting and record-keeping systems is pending, and a new timekeeping system is in place. Customer service includes in-person counter service, along with telephone and electronic communications. Administrative staff review and direct some emergency or urgent service requests. Office personnel are very helpful and conscious of the needs of all customers.

The combined, coordinated efforts of all personnel are required for the District to fulfill its mission in an effective, efficient, and safe manner 24 hours a day, seven days a week. In addition to the above noted tasks of administrative staff, several examples of duties and responsibilities of the District's wastewater treatment center and sewer system operations personnel are provided below:

- Wastewater treatment system operations are controlled and monitored both at the plant and remotely by a supervisory control and data acquisition (SCADA) system. It allows for efficient operations, including timely adjustments and mitigation of problems, 24 hours per day, which exemplifies emphasis on cost efficiency and effective customer service. Treatment operators use data, laboratory results, experience, and trends to make critical process control decisions, including adjustments to handle higher flow.
- The District's senior mechanic and lead mechanic have overall responsibility for care of the wastewater treatment system, including Combined Heat and Power (CHP) generators and buildings, and to address priority situations. There is emphasis on safe, efficient, and effective maintenance and repair by in-house staff.
- As previously noted, parts of the wastewater treatment center date to 1954, with subsequent additions and improvements in the 1970s and 1980s. Its many components are given attention and care by maintenance mechanics, including response to urgent repair needs. Examples of typical tasks include welding, fabrication, pipefitting, and plumbing. In some instances, there is a need to develop innovative solutions to address problems. Other functions include maintenance of the District's lift stations and system valves.
- Electrical technicians address electrical issues, including determination of actual problems and making necessary repairs (e.g., operations, process control, and electrical distribution). Examples of other assignments include lift station inspections, wiring and upgrades for programmable logic controllers, development of policies for safe operations, and planning assistance for some projects.
- Biosolids mechanics assure proper, environmentally sound processing of the biosolids, a byproduct of the wastewater treatment process, and equipment maintenance. Biosolids are dried while being stored for two winter seasons in order to eliminate pathogens before public distribution via in-person pick-up or delivery.

The District's on-site laboratory allows for timely wastewater treatment process quality assurance testing, for which integrity of data entry and meeting the requirements of the NPDES permit are priorities. Reports are provided to the Illinois Environmental Protection Agency and U.S. Environmental Protection Agency. Work is underway to update pre-treatment program standards based on industrial and other users within the service area.

The District's extensive infrastructure includes more than 250 linear miles of gravity sewers, nine lift stations, and approximately 44,000 linear feet of force mains, which are the discharge pipes from the lift stations that carry flow to the gravity sewers. Also, the area served by the District includes about 300 linear miles of privately owned service pipes connecting buildings to public mains and 4.5 linear miles of private mains connected to public mains.

Proactive system maintenance is a priority for the District. Members of the sewer maintenance staff address system care daily, including response to residential sewer issues, planning for repairs, coordination with contractors, handling Joint Utility Locating Information for Excavators (JULIE) locates, and cleaning. Additionally, staff conduct home inspections for participation in the lateral sewer service line repair program, respond to sewer back-up calls, and inspect manholes on a regular cycle. The rotating schedule for daily job assignments provides variety and is appreciated by staff. An on-call rotation schedule is in place for District staff to respond to urgent after-hours service calls.

Many substantial and specialized components are required to provide effective and efficient treatment of wastewater from the District's service area and to discharge the resultant effluent. Among the equipment and structures which comprise the District's wastewater treatment center are the climber screens, pump stations, grit tanks, primary clarifiers, aeration tanks, secondary clarifiers, intermediate clarifiers, sand filters, chlorine contact tank, excess flow clarifiers, sludge concentrator tanks, anaerobic digesters, belt filter press, sludge drying beds, sodium hypochlorite building, sodium bisulfate building, sludge pumps, pump station wet wells, sampling chamber, CHP (Combined Heat and Power) equipment, gas cleaning equipment, hauled grease trap waste collection facility, and standby generators for use in the event of electrical power failure.

IV. Finances

The grand total appropriation for the DGSD for fiscal year May 1, 2024, through April 30, 2025, is \$18,910,000. Most revenue is derived from sources other than real estate taxes (e.g., tap-in permits, user fees, trunk sewer service fees, monthly fees, and surcharges). The categories of expenditures include Administration, Wastewater Treatment Center, Laboratory, Collection System, Lift Stations, Insurance and Employee Benefits, and Capital Improvements.

The District has created a five-year fiscal plan which projects revenues and expenditures for all activities. As noted earlier, the aging of the system requires a substantial commitment of resources to maintain pipes and other structures in satisfactory working condition in order to meet regulatory requirements and customers' expectations for service. Infrastructure maintenance and improvement projects for 2024 include Powell Street Sewer Rehabilitation, rehabilitation of approximately 2,000 linear feet of effluent discharge (outfall) pipe, and replacement of approximately 2,300 linear feet of force main from the Venard Lift Station¹.

For the fiscal year 2024-2025, estimated sources of revenue are demonstrated in Figure 3.

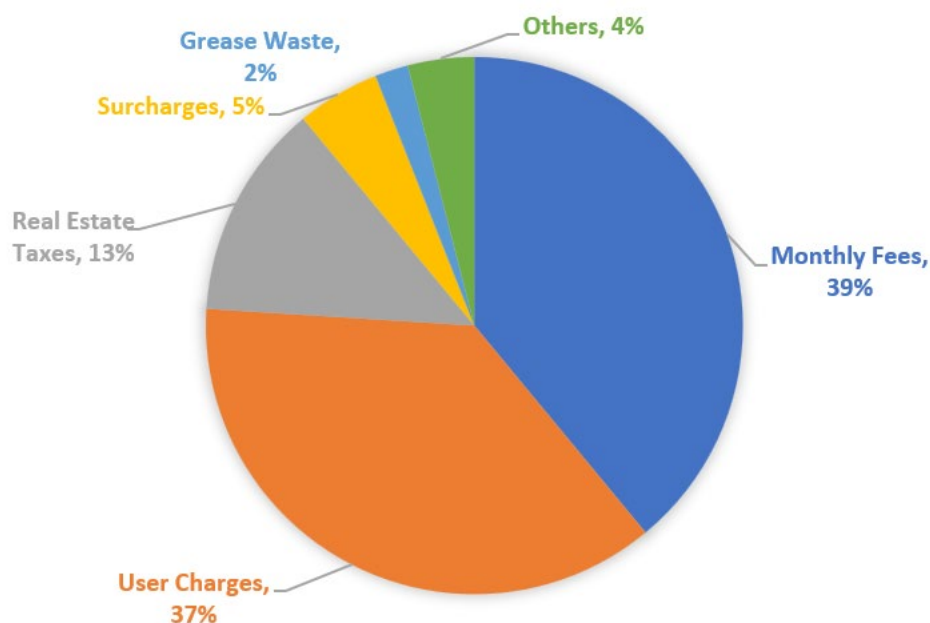


Figure 3. Fiscal year 2024-2025, estimated sources of revenue

For the fiscal year 2024-2025, estimated expenditures are demonstrated in Figure 4. The user charge consists of a volume charge based on water consumption (currently \$2.75 per 1,000 gallons of water consumption) and a monthly service fee (currently \$20.00 per account).

¹ Downers Grove Sanitary District 2024 Annual Newsletter

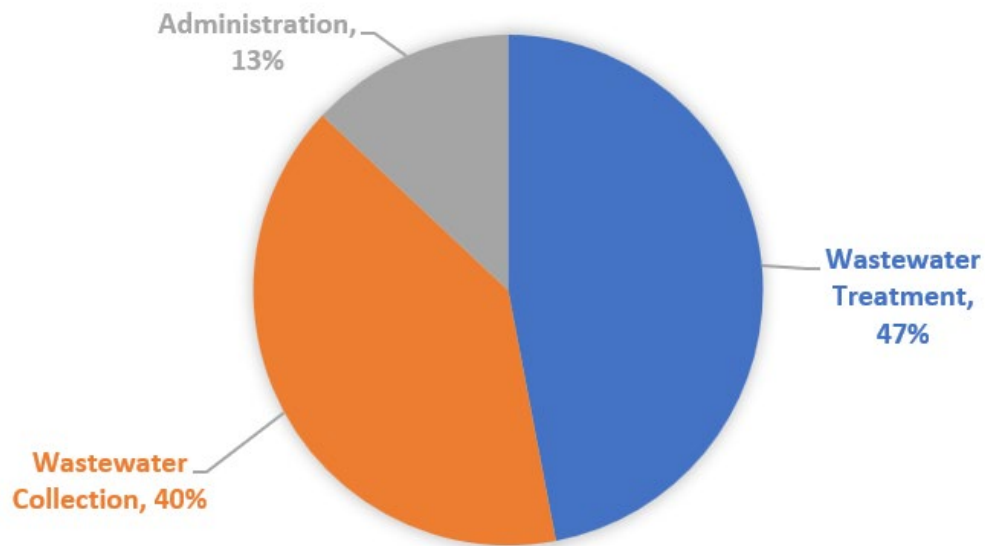


Figure 4. Fiscal year 2024-2025, estimated expenditures

Goods and services are procured in accordance with District's Procurement Policy which ensures that the District is being a good steward of its ratepayers' money while allowing vendors to fairly compete for the District's business and while meeting applicable laws regulating procurement. Where appropriate, the District procures goods and services through public purchasing cooperatives. The District will also work with other units of local government to jointly procure construction services. For example, the District replaced a section of sewer under a Village of Westmont paving contract in 2023. Also, in the past few years, the District's sidewalk and paving projects have been included in the Village of Downers Grove contract.

Annually, an audit of the DGSD financial statements for the previous fiscal year is conducted. In the opinion of the independent auditor, for the fiscal year ended April 30, 2024, the DGSD financial statements present fairly, in all material respects, the respective financial position of its governmental activities, each major fund, and the aggregate remaining fund information, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

V. Organizational Chart

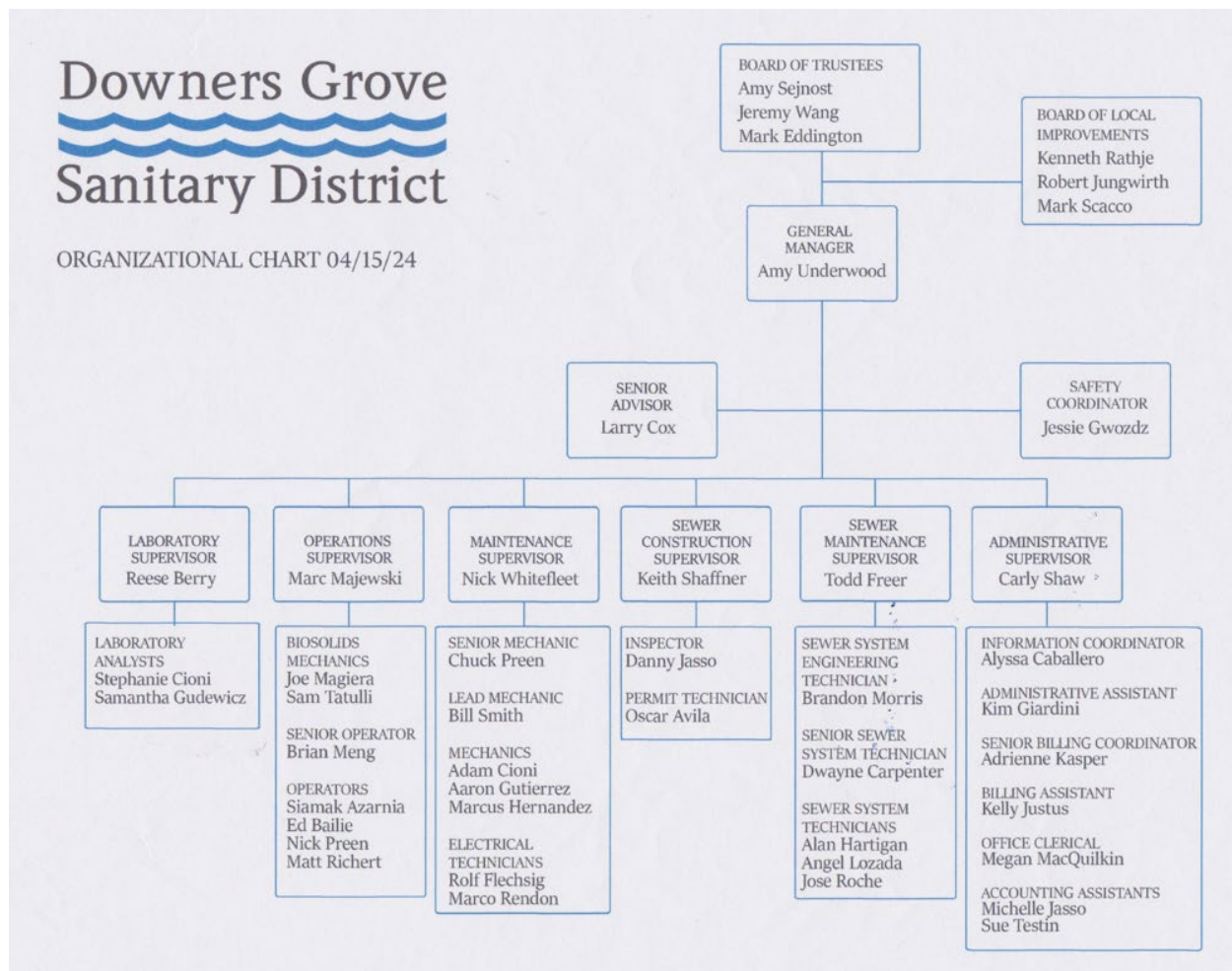


Figure 5. DSGD Organizational Chart²

VI. Illinois Local Government Efficiency Act (Public Act 102-1088) Compliance

The DGSD website³ provides a comprehensive amount of easily accessible, useful information for customers and other interested persons or entities regarding District operations and history, as well as steps already undertaken to improve, maintain, and enhance efficient, effective, and environmentally sound operation of the District. This approach to operation and communication reflects constant focus on the District's primary purpose to fulfill its mission by providing outstanding service while protecting the health of people and the environment.

It is important to note that staffing for the District includes the position of a part-time Information Coordinator, which has been in place for ten years. Examples of duties associated with this

² Downers Grove Sanitary District

³ <https://www.dgsd.org/>

position include responsibility for the District's website and employee intranet, outreach to schools for presentations and wastewater treatment center tours, assistance with the annual open house, and some work with the media.

The DGSD sets an excellent example of accuracy and transparency for availability and dissemination of information. In keeping with this standard, team communication training at all levels of the organization is planned.

Examples of readily available information include sample bill and payment options; the sewer collection system and a summary of service provided; a facilities planning service area map; sanitary sewer service request and permit procedures; employment opportunities; and facilities locations.

Additionally, the District's website provides quick links to forms and documents. Some examples are noted below:

- **Public Comment Submission form** – Allows a person who cannot attend a public meeting to submit comments electronically to the Board of Trustees or the Board of Local Improvements.
- **Easy Pay form** – Allows a customer to sign up for electronic automatic bill payment for District sanitary sewer services.
- **Freedom of Information Act (FOIA) request** – Allows online submission of a FOIA request.

In addition to required statutory transparency, the District provides other mechanisms for its customers to know how revenue is used, including an annual open house which features a tour of the wastewater treatment center and displays highlighting various aspects of District operations (e.g., the laboratory or the sewer system). Annual open houses began in 1990; 277 people attended the 2023 event. Also, an annual newsletter is provided to customers with their late spring / early summer bill.

Along with its annual budget, the District has implemented a five-year plan which includes projected revenues and expenses for all District activities. The plan is available for review on the DGSD website, along with the current fiscal year appropriations ordinance and the current independent financial audit. The District's commitment to transparency is also reflected in easy access to employee total compensation information, Board meeting agendas, and Board meeting minutes.

Proactive outreach is used to inform the public of the District's mission. In addition to the annual open house, tours of the wastewater treatment center are provided throughout the year for groups, students, teachers, professional organizations, and wastewater professionals (see Figure 6). The District works with local elementary schools and high schools, in addition to

environmental groups, to provide educational information pertaining to wastewater treatment, the role of the sanitary district in the community, and the value of water. Also, the District has assisted in facilitation of “river sweep,” a community river clean-up project.



Figure 6. DGSD wastewater treatment center tour with local high school students⁴.

The District’s wastewater treatment center operates under a National Pollutant Discharge Elimination System (NPDES) permit issued by the Illinois Environmental Protection Agency. During 2023, the water treated by the District and discharged to the East Branch of the DuPage River was significantly better than the permit limits for three major NPDES permit parameters: Biochemical oxygen demand (BOD), suspended solids, and ammonia nitrogen⁵.

The DGSD is a founding member of and an active participant in the DuPage River Salt Creek Workgroup (DRSCW), a consortium of local units of government, including DuPage County, and other watershed stakeholders dedicated to management of the valuable stream resources of the East and West Branches of the DuPage River and Salt Creek. These natural streams have been modified over time as the surrounding area has been urbanized. The DRSCW conducts state-of-the-art monitoring of stream biology, chemistry, and habitat, the data from which is used to promote and implement initiatives to cost-effectively restore these streams. In 2015, the DRSCW negotiated with the IEPA to delay phosphorus limits for its wastewater treatment plant members in exchange for funding dam removal and stream restoration projects which would have a bigger impact on aquatic life than a reduction in phosphorus. The efforts of the DRSCW have resulted in significant savings to public ratepayers in these three watersheds.

⁴ Downers Grove Sanitary District 2024 Annual Newsletter

⁵ Ibid.

In 2016, the District's Board of Trustees passed a resolution "setting a goal to achieve and sustain operating the WWTC as a net-zero energy facility," where the amount of energy generated at the facility is as much or more than used. The District was able to attain this goal by investing in energy efficiency and renewable energy generation projects over the last sixteen years. These projects were partially funded by numerous energy related grants and incentives. Biogas produced in the anaerobic digesters fuels the CHP units which generate enough electricity to meet all the WWTC's power demands under normal operating conditions.

To produce enough biogas to operate both CHP units at capacity, the District must accept hauled grease waste, which is high in energy, into its digesters and co-digest it with solids produced in the wastewater treatment process. The source of the hauled grease waste is primarily restaurant grease interceptors, so this practice also benefits the District by keeping grease out of the sewer system where it could plug the sewer and cause backups. In addition to the savings in power costs, the District's net-zero energy program also generates revenue from accepting the hauled grease waste, selling excess electricity to the utility, and selling renewable energy credits for one of the CHP units. As shown in Figure 7, the District achieved its net-zero energy goal for calendar years 2021 and 2022. Due to unexpected maintenance on the CHP units, the WWTC was not net-zero for the calendar year 2023. Regardless, the District remains committed to its goal to sustain operation of the WWTC as a net-zero energy facility.

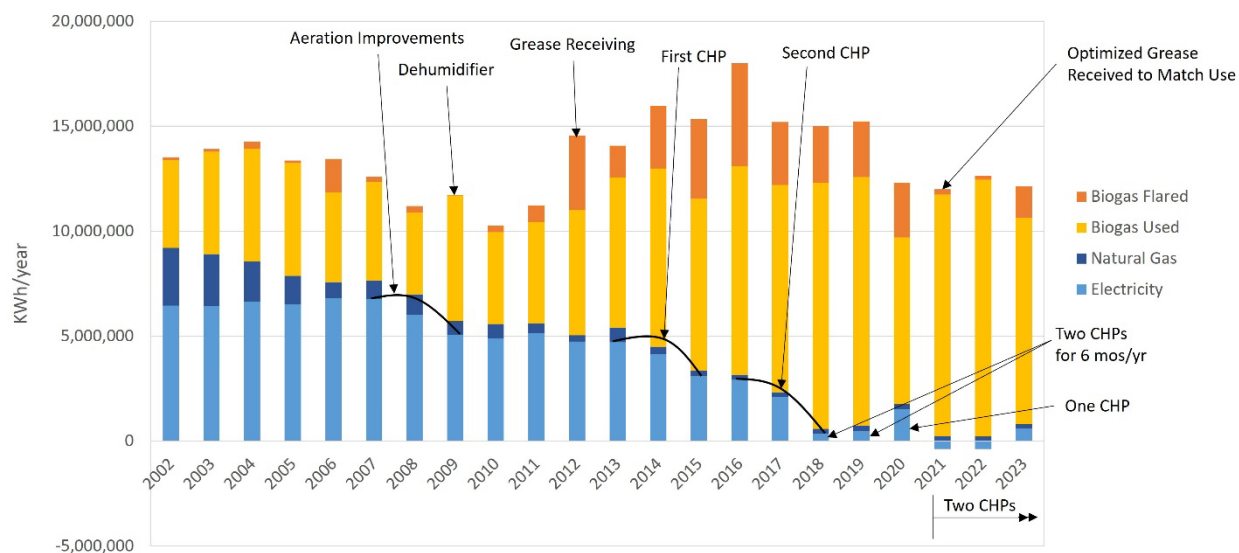


Figure 7. DSGD net-zero energy graph

In partnership with an environmental education non-profit organization, the School & Community Assistance for Recycling and Composting Education (SCARCE), the District collects and recycles used cooking oil. This program is intended to encourage District customers and residents of the surrounding area to recycle their used cooking oil instead of pouring it down the

drain or disposing of it in the garbage. Used cooking oil can be dropped off at any time at the designated receptacle at the District's administration center⁶.



Figure 8. DGSD Used cooking oil receptacle.

A recreational vehicle wastewater dumping station is available to the public at the DGSD Administrative Offices. This station provides an easily accessible option for environmentally sound disposal of such wastewater.

The DGSD wastewater treatment process produces a Class A biosolids byproduct, which is available to the public, free of charge, for use as a soil supplement (i.e., fertilizer). In addition to being a sustainable practice, it also benefits the District by avoiding biosolids disposal costs. This soil supplement is available at the District's pick-up station. In cooperation with the Village of Downers Grove, the Village's wood chip pile is located on DGSD property adjacent to the biosolids pick-up station, which allows for convenient distribution to the public free of charge. The District can deliver bulk quantities of biosolids to its customers and other entities having needs for this nutrient-rich supplement. Since the District's production of biosolids increased due to accepting hauled grease waste, a portion of the biosolids is not dried and is hauled away by a contractor for application on farm fields.

Intergovernmental cooperation between the DGSD and the Village of Downers Grove is also evident in other ways. The District fills its vehicles at the Village's fueling station. Additionally, the property on which the Village's public works parking lot and salt dome are located is leased from the District.

⁶Ibid.

The land area occupied by the wastewater treatment center includes a walnut tree grove. In addition to being an attractive feature, it contributes to environmental sustainability by reducing emissions associated with lawn maintenance, as well as related costs. The trees also help offset carbon emissions by absorbing and storing carbon dioxide.

The District routinely employs a state-of-the-art trenchless technique, known as ‘Cured in Place Pipe’ or CIPP, for sewer rehabilitation, without the disruption which otherwise would be required for excavation, removal, and replacement of the old sewer. CIPP allows an epoxy-laden felt liner to be inserted into the existing pipe and heat-cured in place, using the existing pipe as the exterior form for the new pipe. This technology is being used on sewer and outfall rehabilitation projects currently underway⁷.

Since June 2022, the District has participated in the Illinois Wastewater Surveillance System (IWSS), a monitoring network that tracks COVID-19, influenza, and respiratory syncytial virus (RSV) by measuring the amount of viral RNA (ribonucleic acid) in wastewater throughout Illinois. Twice weekly, District staff collect samples of raw wastewater entering the WWTC, which are then forwarded to the University of Illinois-Chicago for analysis. The data is reported on the IWSS website⁸. This initiative is a collaborative endeavor of the Illinois Department of Public Health (IDPH), and the Illinois System’s Discovery Partners Institute (DPI) intended to deliver actionable information to public health decision makers⁹.

Customer service is of the highest priority for the District. Technicians are available to help address sewer problems at all hours, with a call number available on the DGSD website. Also, customers may be eligible for assistance to address sanitary sewer backups or other problems through the Building Sanitary Service Repair Assistance Program (BSSRAP), Cost Reimbursement Program for Installation of Overhead Sewer or Backflow Prevention Devices, and Reimbursement Program for Sanitary Sewer Backups Caused by Blockages of the Public Sanitary Sewer.

The Building Sanitary Service Repair Assistance Program has been in existence since July 1, 2002. Under certain situations the District will repair, rehabilitate, or replace a building sanitary service. Since the program’s inception, 4,265 repairs have been completed, which represents approximately 20% of the connected buildings. District staff indicated that customer feedback on this program has been very positive.

The Cost Reimbursement Program for the Installation of Overhead Sewer or Backflow Prevention Devices offers financial assistance to the building owner by cost sharing with the owner to upgrade their plumbing to current requirements that will protect their building in the event of

⁷ Ibid

⁸ [DGSD Wastewater Treatment Center | IWSS Dashboard](#)

⁹ Downers Grove Sanitary District 2024 Annual Newsletter

surcharging in the public main caused by a blockage or extreme weather. The program also benefits the District by eliminating the potential cost to the District from a damage claim by the owner due to a public sewer backup.

The Reimbursement Program for Sanitary Sewer Backups Caused by Public Sanitary Sewer Blockages provides limited financial assistance to residents who experience a sanitary sewer backup, defined as the discharge of raw sewage from the District sanitary sewer system through a resident's service line into the resident's building, resulting from blockage of a public sanitary sewer.

To reduce the potential for backups and ensure the long-term sustainability of its collection system, the District cleans one fourth of its sewers annually, televises the sewers on a thirteen-year cycle, and invests at least 0.75% of the replacement value of the sewer back into the collection system annually.

The District has been a leader in efforts to reduce infiltration and inflow (I/I), which is unintended and sometimes illegal entry of groundwater and stormwater into the sanitary sewer. Reduction in I/I lessens the amount of water which is collected and treated, which in turn frees up capacity for future development, reduces the potential for backups and overflows, and reduces operating costs. Early in this endeavor, the District recognized that I/I reduction in the public mains alone would not be effective and thus began to address I/I on private property. I/I reduction projects which have included rehabilitation to both public sewers and private building services have successfully removed up to 65% of the excess flow due to I/I in comparison to previous projects which were focused on public sewers only and resulted in no I/I reduction.

The information, comments, and discussion from the interviews conducted during this study noted the District's openness, creativity, accuracy, and transparency. The District is viewed as approachable, environmentally responsible, fiscally responsible, innovative, and resident-focused, with accurate information and answers provided in response to questions from customers.

VII. Personnel

It is apparent to the study team that the DGSD upholds standards, is a good place at which to work, employees care about their work and each other, management cares about staff, records and equipment are well-maintained, and there is focus on doing things the right way. There is also pride in the high quality of the effluent produced from the treatment process. Furthermore, there is appreciation for jobs which provide variety, for an organization focusing on innovation, and for doing good for the environment.

During interviews, discussions, and visits at the DGSD, the study team was presented with several suggestions and ideas seen as possibly benefiting the District's mission. That input is appreciated by the study team and has been helpful in preparing this report.

VIII. Recommendations

Based on the results of the organizational service delivery review and analysis, including compliance with the requirements of the Illinois Local Government Efficiency Act, it is evident that the current management and operation of the DGSD are well-focused on the provision and delivery of efficient, effective, fiscally sound, and environmentally aware services to the benefit of its customers and the larger community. In keeping with this commitment to fulfilling the mission of the District, several recommendations are presented below.

- **Recommendation 1** – Continue keeping the District's mission at the forefront of current and future operations regarding immediate, short-term, and long-term decisions, including environmental sensitivity and initiatives.
- **Recommendation 2** – Maintain the paramount importance of customer service, including easily accessible information, transparency, responsiveness, and sewer service assistance programs.
- **Recommendation 3** – If not a part of the contemplated facilities planning study, include review of current and projected office space necessary for efficient, effective, and comfortable delivery of administrative and customer services.
- **Recommendation 4** – Review the types and amount of regular and unexpected employee assignments and tasks to ensure adequate staffing levels to maintain ongoing customer service excellence. In conjunction with this process, consider options for cross-training to provide redundancy and back-up when needed, as well as to enhance a shared work culture among the several departments.
- **Recommendation 5** – Continue emphasis on beneficial technology integration and adjustment to address current and future operational needs of all departments.

IX. Best Practices

Wastewater collection and treatment is the essential service provided by the DGSD to protect the health and well-being of the public and the environment. The management and operation of the District reflect efficient and effective service delivery in an environmentally sound, fiscally responsible, and innovative manner. An outline of several best practices of the District is presented below.

- **Compliance with Regulations:** Commitment to compliance with wastewater treatment regulations, including amendments and updates, and staff training. The DGSD's

commitment to this practice is evident in its work to assure adherence to the requirements of the Illinois Local Government Efficiency Act.

- **Strategic Planning:** Ongoing engagement in planning is recommended to ensure the consistent and sustainable functioning of the District to fulfill its mission. The District's detailed, comprehensive five-year financial plan, which includes recommendations with respect to expenditures and revenues necessary to meet operations, maintenance, replacement, capital improvement, and debt service requirements reflects the importance of such planning.
- **Outreach and Transparency:** Continue to provide readily accessible information for the District's customers and other interested parties to be informed and learn about operations, have questions answered, and participate in programs in which they have interest and might be qualified. The DGSD hosts an outstanding annual Wastewater Treatment Center open house each October, for which information is available on the District's website.
- **Staff Training and Development:** Encourage and provide for participation in professional development opportunities to enhance employee skills and knowledge.
- **Emergency Preparedness and Failure Response Procedures:** Continue to maintain and revise as needed well-defined and supported plans and procedures to address emergency situations and system failures should they occur.
- **Professional Organizations and Local Government Consortiums:** The DGSD is a founding member of and an active participant in the DuPage River Salt Creek Workgroup, as well as a member of the National Association of Clean Water Agencies, Illinois Association of Wastewater Agencies, and Midwest Biosolids Association. Participation in organizations representing the best interests of its members and their constituents with helpful, cost-effective services help address issues of mutual concern.

X. Conclusion

The findings and results of the comprehensive analysis completed by the Northern Illinois University Center for Governmental Studies reflect the ongoing commitment of the Downers Grove Sanitary District to environmental sustainability, energy efficiency, sound resource management, fiscal responsibility, outstanding customer service, and overall operational efficiency and effectiveness.

The District's proactive compliance with the Illinois Local Government Efficiency Act and its focus on innovative practices, transparency, and community engagement demonstrate its ongoing dedication to fulfilling its mission in the best interests of its customers and the surrounding community. By maintaining these core values and embracing continuous improvement, the

District is well-positioned to navigate future challenges, attract and retain top talent, and uphold its reputation as a leader in public service and environmental stewardship.

XI. References/Resources

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ATTACHMENT C

**DOWNERS GROVE SANITARY DISTRICT
ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR 2023-24**

DOWNERS GROVE SANITARY DISTRICT

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
APRIL 30, 2024

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www.dgsd.org

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

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FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
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INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the District's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

August 8, 2024

Members of the Board of Trustees
Downers Grove Sanitary District
Downers Grove, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Downers Grove Sanitary District (the District), Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Downers Grove Sanitary District, Illinois, as of April 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Downers Grove Sanitary District, Illinois' basic financial statements. The other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

August 8, 2024

Members of the Board of Trustees
Downers Grove Sanitary District
Downers Grove, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Downers Grove Sanitary District (the District), Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Downers Grove Sanitary District, Illinois
August 8, 2024

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

Our discussion and analysis of the Downers Grove Sanitary District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended April 30, 2024. Please read it in conjunction with the District's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The District's net position totaled \$84,268,340 on April 30, 2024, which includes \$71,369,690 net investment in capital assets, \$2,807,898 subject to external restrictions, and \$10,090,752 unrestricted net position that may be used to meet the ongoing obligations of the District.
- During the year, government-wide revenues totaled \$13,023,764, while government-wide expenses totaled \$10,110,970, resulting in an increase to net position of \$2,912,794. While the District budgeted for a decrease in net position for FY2023-24, an increase in net position was realized due to continued slow progress on budgeted construction projects for which revenue was collected.
- The user charge was increased from \$2.25 to \$2.75 per 1,000 gallons of consumption, effective April 2024. Billable flows for FY2023-24 were 4.86 million gallons per day, a 1.8% decrease from the FY2022-23 billable flows.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances.

For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the District's finances, in a matter similar to a private-sector business.

The Statement of Net Position reports information on all of the District's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the District's property tax base and the condition of the District's infrastructure, is needed to assess the overall health of the District.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

USING THIS ANNUAL FINANCIAL REPORT - Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only maintains governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The District presents four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Benefit Fund (had no activity this fiscal year), Improvement Fund, and Construction Fund, all of which are considered to be major funds. Not presented in this audit report is the Sewer Extensions Escrow Fund which has not had any activity for several years.

The District adopts an annual working budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's I.M.R.F. employee pension obligations, retiree benefit plan, and budgetary comparison schedules for the General Fund and major special revenue fund. The budgetary comparison schedules are presented immediately following the required supplementary information, in addition to a supplemental schedule detailing the District's long-term debt requirements.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the District, assets/deferred outflows exceeded liabilities/deferred inflows by \$84,268,340.

	Net Position	
	4/30/2024	4/30/2023
Current/Other Assets	\$ 14,688,388	14,326,289
Capital Assets	73,343,023	71,104,069
Total Assets	88,031,411	85,430,358
Deferred Outflows	1,697,249	1,797,954
Total Assets/Deferred Outflows	89,728,660	87,228,312
Long-Term Debt	3,139,792	4,061,998
Other Liabilities	1,560,898	1,049,886
Total Liabilities	4,700,690	5,111,884
Deferred Inflows	759,630	760,882
Total Liabilities/Deferred Inflows	5,460,320	5,872,766
Net Position		
Net Investment in Capital Assets	71,369,690	68,827,147
Restricted	2,807,898	2,168,469
Unrestricted	10,090,752	10,359,930
Total Net Position	84,268,340	81,355,546

A large portion of the District's net position, \$71,369,690 or 84.7 percent, reflects its net investment in capital assets (for example, land, construction in progress, buildings and equipment, and sanitary sewers infrastructure), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$2,807,898 or 3.3 percent, of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining \$10,090,752, or 12.0 percent, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Changes in Net Position	
	4/30/2024	4/30/2023
Revenues		
Program Revenues		
Charges for Services	\$ 9,199,408	9,502,512
Operating Grants/Incentives	1,637,903	126,046
General Revenues		
Property Taxes	1,515,100	1,397,827
Replacement Taxes	203,775	281,814
Interest Income	463,811	164,795
Miscellaneous	3,767	9,758
Total Revenues	13,023,764	11,482,752
Expenses		
General Government	10,110,970	9,586,149
Change in Net Position	2,912,794	1,896,603
Net Position - Beginning	81,355,546	79,458,943
Net Position - Ending	84,268,340	81,355,546

Net position of the District's governmental activities increased by 3.6 percent (\$81,355,546 in 2023, compared to \$84,268,340 in 2024). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$10,090,752 on April 30, 2024.

Governmental Activities

Revenues for governmental activities of \$13,023,764 exceeded expenses of \$10,110,970, resulting in an increase to net position in the current year of \$2,912,794.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

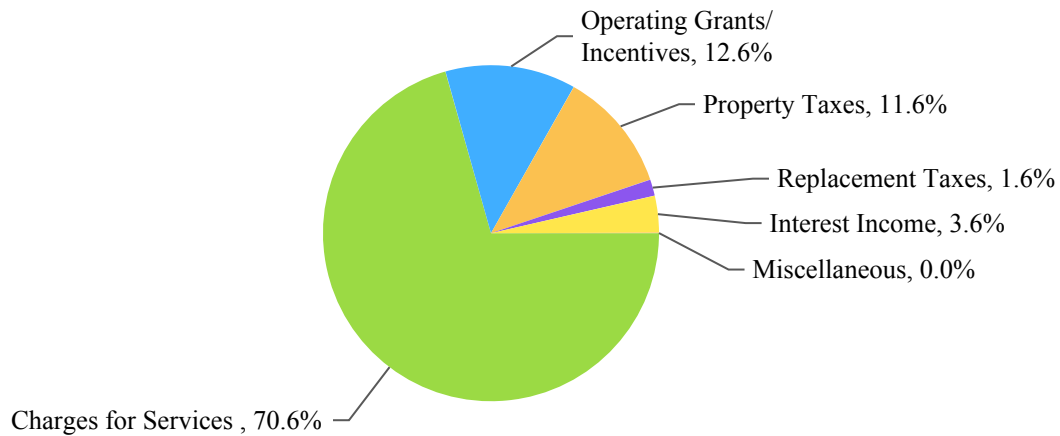
April 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

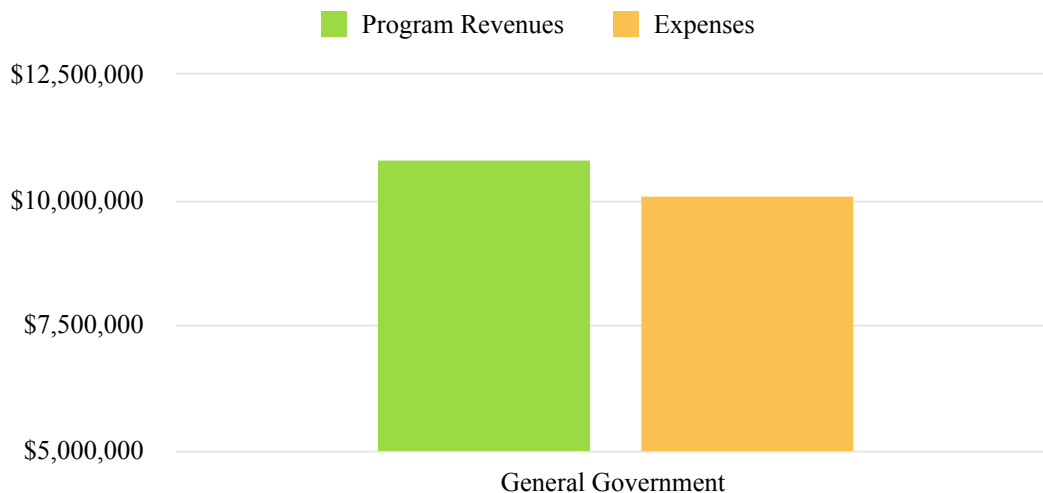
The following figure graphically presents the major revenue sources of the District in 2024. It depicts very clearly the reliance on charges for services and property taxes to fund governmental activities. It also clearly identifies the less significant percentage the District receives from grants and incentives, replacement taxes, interest income and miscellaneous income.

Revenues by Source - Governmental Activities



The 'Expenses and Program Revenues' Figure summarizes the revenue and expenses of the governmental activities and identifies those governmental functions where program expenses greatly exceed revenues.

Expenses and Program Revenues - Governmental Activities



DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

In the course of closing this fiscal year, the District continued its year-end accrual practices that it began in the fiscal year ending 2020.

The District's governmental funds reported combining ending fund balances of \$12,724,691, which is \$141,992 or 1.1 percent, less than last year's total of \$12,866,683. Of the \$12,724,691 total, \$7,779,184, or approximately 61% percent, of the combined fund balances constitutes unassigned fund balance.

The General Fund reported a decrease of \$168,775 or 1.8 percent. A reduction in fund balance of \$2,419,169 was budgeted to restore the ending fund balance to 25% of annual expenditures. The actual decrease in fund balance was less than budgeted due to delays in vehicle deliveries, delays in completion of sewer projects, and District staff completing less equipment maintenance and replacements than anticipated. These variances are further outlined in the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The General Fund is the chief operating fund of the District. On April 30, 2024, unassigned fund balance in the General Fund was \$7,779,184, which represents 81.8 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 63.6 percent of total General Fund expenditures.

The Public Benefit Fund reported no change in fund balance for the year.

The Improvement Fund reported a decrease in fund balance for the year of \$2,197 or 0.2 percent. A reduction of \$353,400 in fund balance was budgeted for fiscal year 2023-24 but was not realized due to continued slow progress on the Centex Lift Station project and a delay in bidding the Venard Forcemain Replacement project. These variances are further outlined on the Improvement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

The Construction Fund reported a positive change in fund balance for the year of \$28,980, an increase of 1.6 percent. A decrease in fund balance of \$1,177,700 was budgeted. Due to delays in bidding the Gas Detection and Alarming System project and a reduction in the scope of the Biosolids Processing/Storage Improvements project, the planned reduction of fund balance did not occur. These variances are further outlined on the Construction Fund Schedule of Revenues, Expenditures and Changes in Fund Balance.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$12,844,753, compared to budgeted revenues of \$12,839,681.

The General Fund actual expenditures for the year were \$2,268,935 less than budgeted expenditures. Actual expenditures totaled \$12,227,615, while budgeted expenditures totaled \$14,496,550. Several smaller projects were not completed, and vehicles were not received during the fiscal year due to delays in production.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of April 30, 2024 was \$73,343,023 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and equipment, and sanitary sewer infrastructure.

	Capital Assets - Net of Accumulated Depreciation	
	4/30/2024	4/30/2023
Land	\$ 2,496,725	2,496,725
Construction in Progress	3,503,106	700,442
Buildings and Equipment	25,313,372	25,465,211
Sanitary Sewer Infrastructure	42,029,820	42,441,691
Total	<u>73,343,023</u>	<u>71,104,069</u>

This year's major additions to capital assets included the following:

Construction in Progress	\$ 2,802,664
Buildings and Equipment	1,242,881
Sanitary Sewer Infrastructure	<u>428,196</u>
	<u>4,473,741</u>

Additional information on the District's capital assets can be found in Note 3 of this report.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Management's Discussion and Analysis

April 30, 2024

DEBT ADMINISTRATION

At year-end, the District had total outstanding debt of \$1,973,333 as compared to \$2,276,922 the previous year, a decrease of 13.3 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	4/30/2024	4/30/2023
IEPA Loan Payable	\$ 1,973,333	2,276,922

This debt will be paid in full in 2031. Additional information on the District's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Trustees considered many factors when setting the fiscal-year 2024-25 budget and fees that will be charged for its governmental activities. An increase in the user charge from \$2.25 to \$2.75 per 1,000 gallons of consumption were established to match the increasing costs of operation, maintenance, and replacement of infrastructure. Increases in connection fees were established to match increases in the cost of construction. Increases in inspection fees and sampling and monitoring charges were established to match salary increases. Surcharge rates were increased to be closer to the actual cost of treatment. The rate for hauled grease interceptor waste was also increased.

The District anticipates an increase in tax revenues, budgeting \$1.473 million for 2024-25 as compared to the 2023-24 budget of \$1.403 million, an increase of 4.75 percent. The District's 2024-25 budget continues with previous equipment and infrastructure investments that help control long-term operating costs and sustain the infrastructure.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the General Manager or Treasurer, Downers Grove Sanitary District, 2710 Curtiss Street, Downers Grove, IL 60515.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Statement of Net Position

April 30, 2024

See Following Page

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Statement of Net Position

April 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 10,923,907
Receivables - Net of Allowances	2,927,003
Due to Other Governments	<u>837,478</u>
Total Current Assets	<u>14,688,388</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	5,999,831
Depreciable	127,181,202
Accumulated Depreciation	<u>(59,838,010)</u>
Total Noncurrent Assets	<u>73,343,023</u>
Total Assets	<u>88,031,411</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>1,697,249</u>
Total Assets and Deferred Outflows of Resources	<u>89,728,660</u>

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

Governmental
Activities

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 749,846
Retainage Payable	350,310
Accrued Payroll	153,627
Other Payables	1,063
Current Portion of Long-Term Debt	306,052
Total Current Liabilities	<u>1,560,898</u>
Noncurrent Liabilities	
Compensated Absences Payable	9,852
Net Pension Liability - IMRF	864,764
Total OPEB Liability - RBP	595,432
IEPA Loans Payable	1,669,744
Total Noncurrent Liabilities	<u>3,139,792</u>
Total Liabilities	<u>4,700,690</u>

DEFERRED INFLOWS OF RESOURCES

Property Taxes	708,851
Deferred Items - IMRF	50,779
Total Deferred Inflows of Resources	<u>759,630</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,460,320</u>

NET POSITION

Net Investment in Capital Assets	71,369,690
Restricted	
Public Benefit	37,818
Capital Projects	2,770,080
Unrestricted	<u>10,090,752</u>
Total Net Position	<u><u>84,268,340</u></u>

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2024

	Expenses	Program Revenues			Net (Expenses)/ Revenues and Changes in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Governmental Activities					
General Government	\$ 10,110,970	9,199,408	1,637,903	—	726,341
		General Revenues			
		Taxes			
					1,515,100
		Property Taxes			
		Intergovernmental - Unrestricted			
					203,775
		Replacement Taxes			
					463,811
		Interest Income			
					3,767
		Miscellaneous			
					<u>2,186,453</u>
		Change in Net Position			
					2,912,794
		Net Position - Beginning			
					<u>81,355,546</u>
		Net Position - Ending			
					<u><u>84,268,340</u></u>

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Balance Sheet

April 30, 2024

See Following Page

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Balance Sheet

April 30, 2024

	General
ASSETS	
Cash and Investments	\$ 7,562,098
Receivables - Net of Allowances	
Property Taxes	1,508,194
Accounts	1,418,809
Due to Other Governments	837,478
Total Assets	11,326,579
LIABILITIES	
Accounts Payable	714,175
Accrued Payroll	153,627
Retainage Payable	233,215
Other Payables	1,063
Total Liabilities	1,102,080
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	708,851
Total Liabilities and Deferred Inflows of Resources	1,810,931
FUND BALANCES	
Restricted	—
Assigned	1,736,464
Unassigned	7,779,184
Total Fund Balances	9,515,648
Total Liabilities, Deferred Inflows of Resources and Fund Balances	11,326,579

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

Special Revenue	Capital Projects		Totals
	Improvement	Construction	
Public Benefit			
37,818	1,495,950	1,828,041	10,923,907
—	—	—	1,508,194
—	—	—	1,418,809
—	—	—	837,478
37,818	1,495,950	1,828,041	14,688,388
	28,843	6,828	749,846
—	—	—	153,627
—	117,095	—	350,310
—	—	—	1,063
—	145,938	6,828	1,254,846
—	—	—	708,851
—	145,938	6,828	1,963,697
37,818	948,867	1,821,213	2,807,898
—	401,145	—	2,137,609
—	—	—	7,779,184
37,818	1,350,012	1,821,213	12,724,691
37,818	1,495,950	1,828,041	14,688,388

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Reconciliation of the Total Fund Balance to the Statement of Net Position April 30, 2024

Total Governmental Fund Balances	\$ 12,724,691
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	73,343,023
Deferred outflows (inflows) of resources related to the pensions not reported in the funds. Deferred Items - IMRF	1,646,470
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(12,315)
Net Pension Liability - IMRF	(864,764)
Total OPEB Liability - RBP	(595,432)
IEPA Loans Payable	<u>(1,973,333)</u>
Net Position of Governmental Activities	<u>84,268,340</u>

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2024**

See Following Page

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended April 30, 2024

	<u>General</u>
Revenues	
Taxes	\$ 1,515,100
Intergovernmental	1,841,678
Charges for Services	9,068,820
Interest Income	415,388
Miscellaneous	3,767
Total Revenues	<u>12,844,753</u>
Expenditures	
General Government	12,046,024
Capital Outlay	—
Debt Service	
Principal Retirement	181,591
Total Expenditures	<u>12,227,615</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>617,138</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	14,087
Transfers In	—
Transfers Out	(800,000)
	<u>(785,913)</u>
Net Change in Fund Balances	(168,775)
Fund Balances - Beginning	<u>9,684,423</u>
Fund Balances - Ending	<u><u>9,515,648</u></u>

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

Special Revenue	Capital Projects		Totals
	Improvement	Construction	
Public Benefit			
—	—	—	1,515,100
—	—	—	1,841,678
—	21,166	109,422	9,199,408
—	16,391	32,032	463,811
—	—	—	3,767
—	37,557	141,454	13,023,764
—	—	—	12,046,024
—	746,563	83,667	830,230
—	93,191	28,807	303,589
—	839,754	112,474	13,179,843
—	(802,197)	28,980	(156,079)
—	—	—	14,087
—	800,000	—	800,000
—	—	—	(800,000)
—	800,000	—	14,087
—	(2,197)	28,980	(141,992)
37,818	1,352,209	1,792,233	12,866,683
37,818	1,350,012	1,821,213	12,724,691

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended April 30, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ (141,992)
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Amounts reported in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	4,473,741
Depreciation Expense	(2,125,381)
Disposals - Cost	(329,917)
Disposals - Accumulated Depreciation	220,511

The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(105,573)
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The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences	(4,005)
Change in Net Pension Liability - IMRF	602,804
Change in Total OPEB Liability - RBP	19,017
Retirement of Long-Term Debt	<u>303,589</u>

Changes in Net Position of Governmental Activities	<u><u>2,912,794</u></u>
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DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Downers Grove Sanitary District (the District) was incorporated to provide and maintain economical treatment of the domestic and industrial wastes collected at its sewage treatment plant so that the wastes are given the degree of treatment necessary to prevent pollution of the water of the State of Illinois.

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

REPORTING ENTITY

The District is a municipal corporation governed by an elected president and two-member Board of Trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District as pension trust funds and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements and Fund Financial Statements

The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The District's activities are supported by taxes and charges for services revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The District accounts for all of its activities in governmental funds, with the emphasis in the fund financial statements being on the major funds.

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds.

Governmental Funds

The following fund types are used by the District:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements and Fund Financial Statements - Continued

Governmental Funds - Continued

General Fund is the general operating fund of the District. It accounts for all financial resources of the District which are not accounted for in other funds. The General Fund is a major fund.

Special Revenues Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The District maintains one major special revenue fund. The Public Benefit Fund is used to account for the payment of sewer extensions or sewer special assessments which the District Board of Trustees deems to be of benefit to an area larger than the immediate service area.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District reports two capital projects funds. The Improvement Fund, a major fund, is used to account for sewer system, pump station improvements, and repayment of loans to the Illinois Environmental Protection Agency. The Construction Fund, a major fund, is used to account for improvements and expansions to the Wastewater Treatment Center and repayment of loans to the Illinois Environmental Protection Agency.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement Focus

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

On the government-wide Statement of Net Position and the Statement of Activities, activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

The District's funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The District recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability/deferred inflow is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

Cash and Investments

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

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

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more (depending on asset class) are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Upgrades or rehabilitation that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Equipment	5 - 75 Years
Sanitary Sewer Infrastructure	20 - 100 Years

Compensated Absences

The District accrues accumulated unpaid vacation and associated employee-related costs when earned when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Outflows/Inflows of Resources

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Net Position

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budget, levy and appropriation is prepared on the same basis and uses the same accounting practices as are used in the fund financial statements. Unexpended budget amounts lapse at the end of the budget year. Spending controls for the fund is established by the amount of expenditures budgeted for the fund, but management control is exercised at budgetary line level items. Expenditures may not exceed appropriations. There were no supplemental appropriations for the year-ended April 30, 2024.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments."

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

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

Deposits. At year-end, the carrying amount of the District's deposits totaled \$3,016,823 and the bank balances totaled \$2,817,409. At year-end, the District also had \$7,907,084 invested in the Illinois Funds, which has an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy does not address interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy does not specifically address credit risk. The District's investment in the Illinois Funds was rated AAmmf by Fitch.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy does not address custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk for investments. The District's investment in the Illinois Fund is not subject to custodial credit risk.

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

PROPERTY TAXES

Property taxes for 2023 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****April 30, 2024****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
Improvement	General	\$ 800,000

Transfers are used to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 2,496,725	—	—	2,496,725
Construction in Progress	700,442	2,802,664	—	3,503,106
	3,197,167	2,802,664	—	5,999,831
Depreciable Capital Assets				
Buildings and Equipment	59,408,588	1,242,881	326,415	60,325,054
Sanitary Sewer Infrastructure	66,431,454	428,196	3,502	66,856,148
	125,840,042	1,671,077	329,917	127,181,202
Less Accumulated Depreciation				
Buildings and Improvements	33,943,377	1,287,837	219,532	35,011,682
Sanitary Sewer Infrastructure	23,989,763	837,544	979	24,826,328
	57,933,140	2,125,381	220,511	59,838,010
Total Net Depreciable Capital Assets	67,906,902	(454,304)	109,406	67,343,192
Total Net Capital Assets	71,104,069	2,348,360	109,406	73,343,023

Depreciation expense of \$2,125,381 was charged to the general government function.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****April 30, 2024****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT****IEPA Loans Payable**

The District has entered into loan agreements with the IEPA to provide no interest financing for waterworks and sewerage improvements. IEPA loans currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
Illinois Environmental Protection Agency (IEPA) Loan of 2010, due in annual installments of \$303,590, non-interest bearing, through November 2, 2030.	\$ 2,276,922	—	303,589	1,973,333

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 8,310	8,010	4,005	12,315	2,463
Net Pension Liability - IMRF	1,467,568	—	602,804	864,764	—
Total OPEB Liability - RBP	614,449	—	19,017	595,432	—
IEPA Loan Payable	2,276,922	—	303,589	1,973,333	303,589
	4,367,249	8,010	929,415	3,445,844	306,052

The General Fund makes payments on the compensated absences, the net pension liability, and the total OPEB liability. Payments on the IEPA loans payable are made by the General, Improvement, and Construction Funds.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities	
	IEPA Loans Payable	
	Principal	Interest
2025	\$ 303,589	—
2026	303,589	—
2027	303,589	—
2028	303,589	—
2029	303,589	—
2030	303,589	—
2031	151,799	—
Totals	1,973,333	—

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2024:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 73,343,023
Less Capital Related Debt:	
IEPA Loan Payable 2010	<u>(1,973,333)</u>
Net Investment in Capital Assets	<u>71,369,690</u>

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Members of the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The District's policy manual states that the General Fund should maintain a minimum fund balance equal to 25% of annual operating expenditures.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

		Special Revenue			
	General	Public Benefit	Capital Projects		Totals
			Improvement	Construction	
Fund Balances					
Restricted					
Public Benefits	\$ —	37,818	—	—	37,818
Capital Projects	—	—	948,867	1,821,213	2,770,080
	—	37,818	948,867	1,821,213	2,807,898
Assigned					
Construction Projects	1,736,464	—	401,145	—	2,137,609
Unassigned	7,779,184	—	—	—	7,779,184
Total Fund Balances	9,515,648	37,818	1,350,012	1,821,213	12,724,691

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the District's employees. The District carries commercial insurance for all risks of loss including worker's compensation and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES

Litigation

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NONDOMESTIC WASTE

The District received 3,688 billion gallons of waste water from 19,713 users (of which 610 are nonmetered). The District billed users for 1,779 billion gallons. Of the 19,713 users of the system, the following discharge nondomestic waste:

User	Volume (Gallons Per Day)
Good Samaritan Hospital	131,832
Bales Mold Service	1,141
Rexnord, Inc.	8,664

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund (IMRF)

The District contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

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

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

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

Plan Membership. As of December 31, 2023, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	34
Inactive Plan Members Entitled to but not yet Receiving Benefits	20
Active Plan Members	<u>37</u>
Total	<u><u>91</u></u>

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2024, the District's contribution was 6.27% of covered payroll.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	4.75%
Domestic Equities	34.50%	5.00%
International Equities	18.00%	6.35%
Real Estate	10.50%	6.30%
Blended	11.50%	6.05% - 8.65%
Cash and Cash Equivalents	1.00%	3.80%

Discount Rate

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

Discount Rate Sensitivity

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Notes to the Financial Statements****April 30, 2024****NOTE 4 - OTHER INFORMATION - Continued****EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued****Illinois Municipal Retirement Fund (IMRF) - Continued****Discount Rate Sensitivity - Continued**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 3,164,985	864,764	(945,276)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2022	\$ 19,970,568	18,503,000	1,467,568
Changes for the Year:			
Service Cost	286,610	—	286,610
Interest on the Total Pension Liability	1,420,258	—	1,420,258
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	642,747	—	642,747
Changes of Assumptions	(35,753)	—	(35,753)
Contributions - Employer	—	208,264	(208,264)
Contributions - Employees	—	140,088	(140,088)
Net Investment Income	—	2,009,737	(2,009,737)
Benefit Payments, Including Refunds of Employee Contributions	(1,048,212)	(1,048,212)	—
Other (Net Transfer)	—	558,577	(558,577)
Net Changes	1,265,650	1,868,454	(602,804)
Balances at December 31, 2023	21,236,218	20,371,454	864,764

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended April 30, 2024, the District recognized pension revenue of \$300,861. At April 30, 2024, the District reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 621,227	—	621,227
Change in Assumptions	—	(50,779)	(50,779)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,021,725	—	1,021,725
Total Pension Expense to be Recognized in Future Periods	1,642,952	(50,779)	1,592,173
Pension Contributions Made Subsequent to the Measurement Date	54,297	—	54,297
Total Deferred Amounts Related to IMRF	1,697,249	(50,779)	1,646,470

\$54,297 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2025	\$ 300,457
2026	503,984
2027	847,821
2028	(60,089)
2029	—
Thereafter	—
Total	1,592,173

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The District's defined benefit OPEB plan, Retiree Benefit Plan (RBP), provides OPEB for all permanent full-time general employees of the District. RBP is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare, dental, and vision benefits for retirees and their dependents. Retirees and their dependents pay the full cost of the coverage. Coverage ends when the retiree stops paying for the coverage.

Plan Membership. As of April 30, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>33</u>
Total	<u>36</u>

Total OPEB Liability

The District's total OPEB liability was measured as of April 30, 2024, and was determined by an actuarial valuation as of April 30, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the April 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

Inflation	2.25%
Salary Increases	2.50%
Discount Rate	4.07%
Healthcare Cost Trend Rates	The initial trend rate is based on the 2023 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on The Bond Buyer 20-Bond GO Index.

Mortality rates were based on PubG-2010(B) improved generationally using MP-2020 improvement rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for males, Age 87 for females.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at April 30, 2023	<u>\$ 614,449</u>
Changes for the Year:	
Service Cost	44,949
Interest on the Total OPEB Liability	20,504
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(17,270)
Benefit Payments	<u>(67,200)</u>
Net Changes	<u>(19,017)</u>
Balance at April 30, 2024	<u><u>595,432</u></u>

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Notes to the Financial Statements

April 30, 2024

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 4.07%, while the prior valuation used 3.53%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
Total OPEB Liability	\$ 627,783	595,432	564,781

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using varied Healthcare Trend Rates as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 540,365	595,432	660,749

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2024, the District recognized OPEB expense of \$48,183. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. At April 30, 2023, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
Illinois Municipal Retirement Fund
- Schedule of Changes in the Employer's Total OPEB Liability
Retiree Benefit Plan
- Budgetary Comparison Schedule
General Fund

Notes to the Required Supplementary Information

Budgetary Information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund Schedule Employer Contributions April 30, 2024

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	314,598	314,598	—	2,475,195	12.71%
2017	291,750	291,750	—	2,449,621	11.91%
2018	315,598	315,598	—	2,647,939	11.92%
2019	310,019	310,019	—	2,793,762	11.10%
2020	285,261	285,261	—	2,973,772	9.59%
2021	293,539	293,539	—	2,829,875	10.37%
2022	286,739	286,739	—	2,928,485	9.79%
2023	256,235	256,235	—	3,054,434	8.39%
2024	196,370	196,370	—	3,131,529	6.27%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

April 30, 2024

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	\$ 269,423	268,172	261,468
Interest	1,014,911	1,070,538	1,140,308
Differences Between Expected and Actual Experience and Actual Experience	(25,684)	163,916	(292,511)
Change of Assumptions	35,991	(36,313)	(496,265)
Benefit Payments, Including Refunds of Member Contributions	(472,715)	(555,597)	(586,106)
Net Change in Total Pension Liability	821,926	910,716	26,894
Total Pension Liability - Beginning	13,633,789	14,455,715	15,366,431
Total Pension Liability - Ending	14,455,715	15,366,431	15,393,325
Plan Fiduciary Net Position			
Contributions - Employer	\$ 314,598	291,750	301,021
Contributions - Members	111,384	110,233	115,089
Net Investment Income	63,049	857,080	2,246,061
Benefit Payments, Including Refunds of Member Contributions	(472,715)	(555,597)	(586,106)
Other (Net Transfer)	(173,299)	82,784	(166,822)
Net Change in Plan Fiduciary Net Position	(156,983)	786,250	1,909,243
Plan Net Position - Beginning	12,633,124	12,476,141	13,262,391
Plan Net Position - Ending	12,476,141	13,262,391	15,171,634
Employer's Net Pension Liability/(Asset)	\$ 1,979,574	2,104,040	221,691
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.31%	86.31%	98.56%
Covered Payroll	\$ 2,475,195	2,449,621	2,557,519
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	79.98%	85.89%	8.67%

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014, 2017 and 2023.

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
261,182	294,834	305,510	259,796	272,061	286,610
1,139,708	1,195,585	1,257,591	1,311,792	1,371,158	1,420,258
			—	—	—
116,384	159,402	181,350	177,114	40,136	642,747
476,076	—	(115,046)	—	—	(35,753)
(655,619)	(775,302)	(824,498)	(893,404)	(978,567)	(1,048,212)
1,337,731	874,519	804,907	855,298	704,788	1,265,650
15,393,325	16,731,056	17,605,575	18,410,482	19,265,780	19,970,568
16,731,056	17,605,575	18,410,482	19,265,780	19,970,568	21,236,218
340,584	255,585	306,188	299,722	269,080	208,264
125,869	128,794	130,354	135,961	143,238	140,088
(752,348)	2,633,242	2,379,190	3,205,318	(2,670,592)	2,009,737
(655,619)	(775,302)	(824,498)	(893,404)	(978,567)	(1,048,212)
267,304	194,388	(15,190)	2,342	79,727	558,577
(674,210)	2,436,707	1,976,044	2,749,939	(3,157,114)	1,868,454
15,171,634	14,497,424	16,934,131	18,910,175	21,660,114	18,503,000
14,497,424	16,934,131	18,910,175	21,660,114	18,503,000	20,371,454
2,233,632	671,444	(499,693)	(2,394,334)	1,467,568	864,764
86.65%	96.19%	102.71%	112.43%	92.65%	95.93%
2,793,956	2,862,096	2,896,760	2,976,382	2,950,442	3,113,080
79.95%	23.46%	(17.25%)	(80.44%)	49.74%	27.78%

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

April 30, 2024

	<u>4/30/2019</u>
Total OPEB Liability	
Service Cost	\$ 11,813
Interest	31,615
Differences Between Expected and Actual Experience	14,372
Change of Assumptions or Other Inputs	—
Benefit Payments	<u>(46,136)</u>
Net Change in Total OPEB Liability	11,664
Total OPEB Liability - Beginning	<u>819,443</u>
Total OPEB Liability - Ending	<u>831,107</u>
Covered-Employee Payroll	\$ 2,804,694
Total OPEB Liability as a Percentage of Covered-Employee Payroll	29.63%

Notes:

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2019 through 2024.

4/30/2020	4/30/2021	4/30/2022	4/30/2023	4/30/2024
12,508	14,521	11,580	8,733	44,949
30,685	23,461	21,109	22,570	20,504
—	—	—	(92,045)	—
108,439	31,589	(196,000)	3,043	(17,270)
(42,662)	(47,241)	(64,997)	(61,951)	(67,200)
108,970	22,330	(228,308)	(119,650)	(19,017)
831,107	940,077	962,407	734,099	614,449
940,077	962,407	734,099	614,449	595,432
2,903,364	2,975,948	2,877,989	3,096,054	3,302,736
32.38%	32.34%	25.51%	19.85%	18.03%

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,403,700	1,403,700	1,515,100
Charges for Services			
User Billings	4,201,800	4,201,800	3,640,415
Inspection and Review Fees	21,150	21,150	18,678
Monthly Service Fees	4,836,800	4,836,800	4,844,438
Surcharges	418,000	418,000	403,204
Sampling and Monitoring	113,000	113,000	123,021
Property Lease Payments	39,300	39,300	39,064
Intergovernmental			
Replacement Taxes	120,000	120,000	203,775
Grants and Incentives	1,613,881	1,613,881	1,637,903
Interest Income	67,050	67,050	415,388
Miscellaneous	5,000	5,000	3,767
Total Revenues	12,839,681	12,839,681	12,844,753
Expenditures			
General Government	14,314,959	14,314,959	12,046,024
Debt Service			
Principal Retirement	181,591	181,591	181,591
Total Expenditures	14,496,550	14,496,550	12,227,615
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,656,869)	(1,656,869)	617,138
Other Financing Sources (Uses)			
Disposal of Capital Assets	37,700	37,700	14,087
Transfers Out	(800,000)	(800,000)	(800,000)
	(762,300)	(762,300)	(785,913)
Net Change in Fund Balance	(2,419,169)	(2,419,169)	(168,775)
Fund Balance - Beginning			9,684,423
Fund Balance - Ending			9,515,648

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUND

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Public Benefit Fund

The Public Benefit Fund is used to account for the payment of sewer extensions or sewer special assessments which the District Board of Trustees deems to be of benefit to an area larger than the immediate service area.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Improvement Fund

The Improvement Fund is used to account for sewer system, pump station improvements and repayment of loans to the Illinois Environmental Protection Agency.

Construction Fund

The Construction Fund is used to account for improvements and expansions to the Wastewater Treatment Center and repayment of loans to the Illinois Environmental Protection Agency.

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
General Government			
Salaries and Wages			
Plant	\$ 1,595,650	1,595,650	1,523,480
Administrative	1,056,100	1,056,100	993,861
Sewer System	529,850	529,850	540,319
Laboratory	272,800	272,800	277,968
Lift Station	28,600	28,600	29,976
Office Expenditures	472,450	472,450	594,080
Insurance	907,850	907,850	750,604
Operations			
Plant	2,957,100	2,957,100	2,031,751
Sewer System	4,211,909	4,211,909	3,566,570
Laboratory	119,700	119,700	91,480
Lift Station	585,500	585,500	304,967
Motor Vehicles	696,950	696,950	532,880
Professional Services	370,500	370,500	358,099
Retirement Contributions	510,000	510,000	449,989
Total General Government	14,314,959	14,314,959	12,046,024
Debt Service			
Principal Retirement	181,591	181,591	181,591
Total Expenditures	14,496,550	14,496,550	12,227,615

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Improvement - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Connection Charges	\$ 90,000	90,000	21,166
Interest Income	4,700	4,700	16,391
Total Revenues	94,700	94,700	37,557
Expenditures			
Capital Outlay	1,154,900	1,154,900	746,563
Debt Service			
Principal Retirement	93,200	93,200	93,191
Total Expenditures	1,248,100	1,248,100	839,754
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,153,400)	(1,153,400)	(802,197)
Other Financing Sources			
Transfers In	800,000	800,000	800,000
Net Change in Fund Balances	(353,400)	(353,400)	(2,197)
Fund Balances - Beginning			1,352,209
Fund Balances - Ending			1,350,012

DOWNERS GROVE SANITARY DISTRICT, ILLINOIS**Construction - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended April 30, 2024**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Connection Charges	\$ 250,000	250,000	109,422
Interest Income	17,700	17,700	32,032
Total Revenues	267,700	267,700	141,454
Expenditures			
Capital Outlay	1,416,500	1,416,500	83,667
Debt Service			
Principal Retirement	28,900	28,900	28,807
Total Expenditures	1,445,400	1,445,400	112,474
Net Change in Fund Balances	(1,177,700)	(1,177,700)	28,980
Fund Balances - Beginning			1,792,233
Fund Balances - Ending			1,821,213

ATTACHMENT D

**DOWNERS GROVE SANITARY DISTRICT
FIVE-YEAR FINANCIAL PLAN
FISCAL YEARS 2024-25 TO 2028-29**

DOWNERS GROVE SANITARY DISTRICT
FIVE YEAR FINANCIAL PLAN
FISCAL YEARS 2024-2025 TO 2028-2029

Approved 03/19/24

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Introduction

This five-year plan presents recommended expenditures and revenues necessary to meet the operation, maintenance, replacement, capital improvement and debt service requirements of the District over the five-year period from May 1, 2024 to April 30, 2029. The plan contains separate projections for the combined General Corporate and Replacement Fund (operation, maintenance and replacement needs), the Construction Fund (Wastewater Treatment Center capital improvements), the Improvement Fund (sewer system and pump station capital improvements) and the Public Benefit Fund. A brief overview of each of these separate projections is provided below.

General Corporate Fund – This plan treats the Replacement Fund as a designated portion of the General Corporate Fund. The balance in the Replacement Fund is maintained throughout the five-year period at the April 30, 1991, level of \$820,000. This treatment allows major replacements to be included in the operation and maintenance budget of the General Corporate Fund, allows all interest earned on the Replacement Fund to be fully utilized, and applies the balance in the Replacement Fund towards meeting the minimum recommended working balance in the General Corporate Fund.

The plan includes expenditures for the replacement and rehabilitation of the wastewater collection system, including building service repairs to help control sewer system backups and overflows. The goal is to sustain annual replacement and rehabilitation expenses at a level equal to 1.0% of the replacement value of the sewer infrastructure. Expenses include the portion of ARRA loan repayments to the Illinois Environmental Protection Agency (IEPA) associated with sewer rehabilitation work previously conducted with ARRA loan funding.

Planned replacements and major maintenance items for non-sewer fixed assets necessary for continued reliable operation are identified. The FY 2024-25 non-sewer annual replacement, rehabilitation and upgrade expenses budget for all funds represents about 380% of the FY 2022-23 annual depreciation of non-sewer fixed assets. This percentage is much higher than in previous years due the significant number of projects being completed under the Construction and Improvement Funds as well as the significant projects planned for FY 2024-25 as identified herein.

The user rate is proposed to increase annually by \$0.50 per 1,000 gallons across the five-year plan. This results in the user rate increasing from its current level of \$2.25 per 1,000 gallons to \$2.75 per 1,000 gallons in FY 2024-25. Monthly service fees are proposed to remain the same in FY 2024-25 at the current amount of \$20.00. An increase in the monthly service fee of \$1.00 is projected in both FY 2025-26 and FY 2026-27 with no increases projected in FY 2027-28 or FY 2028-29. The combined user rate and monthly service fee increases starting in FY 2022-23 have been higher rate and fee increases than the District has historically implemented. The higher increases were needed due to high inflation in the cost of goods and services. Higher increases were also needed to address aging infrastructure and the recommended improvements in the Baxter & Woodman (B&W) WWTC and lift station code review report which was completed in FY 2022-23. The increases continue to accommodate the desired levels of sewer system replacement and rehabilitation expenditures while keeping up with inflation. The surcharge rates are proposed to be increased for an average surcharge customer by 17% in FY 2024-25 and 10% annually thereafter. The surcharge rate increases are planned to gradually bring the costs per pound of biological oxygen demand (BOD) and per pound of total suspended solids (TSS) up to match the cost of service. Other user charges such

as sampling and monitoring charges will increase as the cost to provide services increases. The rates for hauled grease waste are also proposed to increase in FY 2024-25.

Construction Fund – The Construction Fund is utilized for improvements and additions at the WWTC, including purchasing of adjacent property. Gas detection and alarming systems are proposed to be installed in FY 2024-25. Improvements to the digester gas safety equipment and biosolids processing are planned for FY 2024-25 through FY 2025-26. Design and construction of a chemical feed system for phosphorus removal are planned in FY 2025-26 through FY 2027-28.

The primary source of revenue for the Construction Fund has historically been sewer permit fees. Starting in FY 2024-25, additional revenue to the Construction Fund will include transfers from the General Corporate Fund. This is necessary as the cost of addressing aging infrastructure and other needs at the wastewater treatment center is expected to outpace the revenue received from sewer permit fees.

Improvement Fund – The Improvement Fund is used for sewer additions and sewer and lift station capital improvements as well as to finance special assessments extending sewers into unsewered areas, with funds repaid by the owners of properties benefited by the new sewers using vouchers. Construction of the Centex Lift Station is expected to be completed by the end of FY 2023-24. Replacement of a portion of the Venard Lift Station force main is planned for FY 2024-25. Replacement of a portion of the Wroble Lift Station force main is planned for FY 2025-26. Replacement of the Butterfield Lift Station is planned for FY 2026-27, and replacement of the College Lift Station is planned for FY 2028-29.

The primary sources of revenue to the Improvement Fund have historically been trunk and lateral sewer service charges. Starting in FY 2021-22, additional revenue to the Improvement Fund will include transfers from the General Corporate Fund. This is necessary as the cost of addressing aging infrastructure at the lift stations is outpacing the revenue received from trunk and lateral sewer service charges.

Public Benefit Fund – The public benefit fund may only be used to pay for the portion of sewer extensions or sewer special assessments which the Board of Trustees deems to be of benefit to an area larger than the immediate service area.

DOWNERS GROVE SANITARY DISTRICT - FIVE YEAR FINANCIAL PLAN - FISCAL YEARS 2024-2025 to 2028-2029

EXHIBIT 1

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 23-24	FY 24-25	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Actual	Actual	Actual	Actual	Budget	Projected Actual	Budget	Appropriation	Projected	Projected	Projected	Projected
11. Administration												
A. Salary & Wages												
001. Trustees	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000		\$18,000	\$18,000	\$18,000	\$18,000
002. B.O.L.I.	0	0	0	0	900	0	900		900	900	900	900
003. General Management	345,560	242,887	222,921	236,921	272,250	263,880	290,100		304,600	319,850	335,850	352,650
004. Financial Records	203,039	198,066	204,280	207,371	254,450	243,060	275,200		288,950	303,400	318,550	334,500
005. Administrative Records	28,343	25,335	26,371	25,061	24,900	31,130	31,300		32,900	34,550	36,250	38,050
006. Engineering	7,067	4,503	3,677	16,558	4,250	1,600	1,200		1,250	1,300	1,350	1,450
007. Code Enforcement	420,277	366,512	332,411	371,184	430,700	354,140	334,500		351,250	368,800	387,250	406,600
008. Safety Activities	11,895	27,658	35,868	36,076	49,500	61,870	54,900		57,700	60,550	63,600	66,750
030. Building & Grounds	605	1,006	1,133	6,863	1,150	8,440	8,600		9,000	9,450	9,900	10,400
085. Incentive			2,025	200	0	0	0		0	0	0	0
086. Vacation Buyout			5,650	0	0	0	0		0	0	0	0
090. Work from Home Reimbursement Allowance		4,475	4,163	75	0	0	0		0	0	0	0
Subtotal	\$1,034,786	\$888,440	\$856,498	\$918,308	\$1,056,100	\$982,120	\$1,014,700	\$1,170,000	\$1,064,550	\$1,116,800	\$1,171,650	\$1,229,300
B. Operation & Maintenance												
100. Electricity	\$3,172	\$3,737	\$6,023	\$4,120	\$5,500	\$5,450	\$8,800		\$9,050	\$9,350	\$9,700	\$10,000
101. Natural Gas	1,240	912	1,902	2,260	3,000	2,870	3,500		3,600	3,750	3,900	4,000
102. Water, Garbage, Other	741	767	803	473	1,250	550	1,300		1,300	1,350	1,400	1,450
110. Bank Charges	15,158	20,299	21,739	6,883	25,200	500	11,500		12,000	12,500	13,000	13,500
112. Communication	16,562	22,190	25,391	24,830	28,000	27,400	28,000		29,000	29,000	31,000	31,000
113. Emergency/Safety Eqpt		29,399	13,872	23,349	20,450	20,540	21,700		29,950	22,100	22,500	20,000
115. Eqpt/Eqpt Repair	92,596	88,604	89,741	97,374	165,000	196,500	297,000		179,000	147,500	185,500	183,000
116. Supplies	7,109	3,020	4,119	3,964	7,000	6,410	7,500		7,800	8,000	8,000	8,200
117. Employee/Duty Costs	19,256	4,988	5,736	19,127	19,000	13,000	23,500		21,000	20,500	21,000	21,500
118. Building & Grounds	20,157	26,947	44,148	62,918	74,500	204,000	56,200		28,300	58,800	30,100	32,400
119. Postage	4,225	3,286	4,223	6,294	7,550	6,200	9,200		8,000	8,200	8,500	8,900
120. Printing/Photography	8,121	7,125	8,142	9,487	12,700	9,520	14,500		14,300	15,100	15,100	16,500
121. User Billing Material	63,831	67,672	69,466	80,661	88,000	76,100	83,000		78,500	65,000	60,500	61,000
124. Contract Services	70,220	52,387	62,255	91,756	167,000	115,910	348,800		320,300	169,300	174,900	176,900
137. Memberships/Subscriptions	8,469	7,497	7,290	6,185	9,500	7,950	8,900		9,150	9,300	9,500	9,850
Subtotal	\$330,858	\$338,832	\$364,848	\$439,681	\$633,650	\$692,900	\$923,400	\$1,110,000	\$751,250	\$579,750	\$594,600	\$598,200
C. Vehicles												
222. Gas/Fuel	\$1,114	\$299	\$697	\$2,318	\$3,200	\$2,200	\$3,100		\$3,200	\$3,300	\$3,400	\$3,500
225. Operation/Repair	2,217	380	1,321	522	2,600	1,050	2,700		2,700	2,800	2,900	3,000
226. Vehicle Purchase	0	0	0	18,637	0	0	28,000		29,000	0	0	0
Subtotal	\$3,331	\$680	\$2,019	\$21,477	\$5,800	\$3,250	\$33,800	\$50,000	\$34,900	\$6,100	\$6,300	\$6,500
TOTALS	\$1,368,974	\$1,227,952	\$1,223,365	\$1,379,466	\$1,695,550	\$1,678,270	\$1,971,900	\$2,330,000	\$1,850,700	\$1,702,650	\$1,772,550	\$1,834,000

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 23-24	FY 24-25	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Actual	Actual	Actual	Actual	Budget	Projected Actual	Budget	Appropriation	Projected	Projected	Projected	Projected
12. Wastewater Treatment Center												
A. Salary & Wages												
006. Engineering	\$29,473	\$47,440	\$52,406	\$50,305	\$58,350	\$4,440	\$7,900		\$8,300	\$8,700	\$9,150	\$9,600
009. Oper. Management	107,667	100,206	100,335	110,553	113,900	110,840	122,400		128,550	135,000	141,750	148,850
010. Maintenance	524,751	526,489	578,180	679,935	689,650	681,710	695,600		730,400	766,900	805,250	845,500
020. WWTC	536,379	597,945	584,269	539,441	614,600	617,590	614,500		645,150	677,450	711,300	746,850
030. Building & Grounds	87,810	104,344	103,355	105,954	119,150	96,220	72,700		76,300	80,100	84,100	88,300
085. Incentive		200	2,000	0	0	0	0		0	0	0	0
086. Vacation Buyout			4,871	0	0	0	0		0	0	0	0
090. Work from Home Reimbursement Allowance		288	50	0	0	0	0		0	0	0	0
Subtotal	\$1,286,080	\$1,376,912	\$1,425,466	\$1,486,188	\$1,595,650	\$1,510,800	\$1,513,100	\$1,740,000	\$1,588,700	\$1,668,150	\$1,751,550	\$1,839,100
B.Operation & Maintenance												
100. Electricity	\$80,975	\$125,288	\$64,278	\$88,445	\$65,000	\$127,500	\$145,000		\$150,000	\$155,450	\$160,900	\$166,500
101. Natural Gas	6,346	4,991	9,708	10,944	12,500	9,500	12,500		13,000	13,500	14,000	14,550
102. Water, Garbage, Other	17,838	23,816	27,549	41,546	40,550	45,390	43,500		44,950	44,050	45,500	47,150
103. Odor Control	39,195	1,806	3,391	2,406	3,400	4,180	4,000		4,150	4,300	4,450	4,600
104. Fuel - Generators	3,382	3,423	4,799	14,460	16,500	220	14,500		15,000	15,550	16,100	16,650
112. Communication	17,690	18,515	23,948	22,516	27,600	23,020	22,500		25,500	24,500	28,000	25,000
113. Emergency/Safety Eqpt	13,018	10,391	22,289	21,124	35,350	32,820	38,200		30,150	31,850	32,300	53,400
116. Supplies	31,799	26,144	27,016	21,919	32,750	30,550	33,800		34,050	35,250	36,500	37,750
117. Employee/Duty Costs	20,039	11,348	15,759	19,060	30,000	26,500	34,500		34,500	35,500	36,000	37,000
124. Contract Services	203,705	209,816	216,110	222,594	203,500	203,485	204,300		205,100	27,300	28,100	29,000
130. NPDES Permit Fees	53,000	53,000	53,000	53,000	53,000	53,000	53,000		53,000	53,000	53,000	53,000
131. Sludge Hauling/Disposal Services	134,615	119,669	34,524	119,197	90,000	89,938	135,000		139,750	144,600	149,700	154,900
400. Chemicals	125,859	109,342	148,897	160,777	287,950	165,900	246,500		254,900	263,850	980,100	1,258,350
500. Eqpt/Eqpt Repair	997,579	2,178,507	872,710	651,748	1,851,250	1,223,980	2,032,500		1,873,350	2,568,650	2,084,800	1,897,250
800. Building & Grounds	231,631	242,897	180,314	362,934	362,750	324,800	555,300		380,450	448,700	333,750	332,550
Subtotal	\$1,976,672	\$3,138,955	\$1,704,291	\$1,812,671	\$3,112,100	\$2,360,782	\$3,575,100	\$4,290,000	\$3,257,850	\$3,866,050	\$4,003,200	\$4,127,650
C. Vehicles												
222. Gas/Fuel	\$16,360	\$10,798	\$22,194	\$29,898	\$40,000	\$19,160	\$27,000		\$27,950	\$28,900	\$29,950	\$31,000
225. Operation/Repair	5,065	5,132	6,408	6,886	8,500	4,720	7,000		7,250	7,500	7,750	8,050
226. Vehicle Purchase	64,060	0	47,647	17,403	93,300	17,768	104,800		74,250	54,000	0	80,000
Subtotal	\$85,486	\$15,930	\$76,248	\$54,187	\$141,800	\$41,648	\$138,800	\$160,000	\$109,450	\$90,400	\$37,700	\$119,050
TOTALS	\$3,348,238	\$4,531,797	\$3,206,006	\$3,353,046	\$4,849,550	\$3,913,229	\$5,227,000	\$6,190,000	\$4,956,000	\$5,624,600	\$5,792,450	\$6,085,800

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 24-25 Appropriation	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
13. Laboratory												
A. Salary & Wages												
009. Oper. Management	\$75,903	\$78,304	\$73,366	\$64,521	\$83,450	\$74,770	\$73,000		\$76,600	\$80,450	\$84,500	\$88,700
040. Laboratory	158,457	164,102	173,521	170,416	189,350	202,920	225,900		237,200	249,050	261,500	274,600
085. Incentive			400	0	0	0	0		0	0	0	0
086. Vacation Buyout			2,438	0	0	0	0		0	0	0	0
090. Work from Home Reimbursement Allowance		25	0	0	0	0	0		0	0	0	0
Subtotal	\$234,360	\$242,431	\$249,725	\$234,937	\$272,800	\$277,690	\$298,900	\$340,000	\$313,800	\$329,500	\$346,000	\$363,300
B. Operation & Maintenance												
112. Communication			\$2,122	\$2,263	\$4,000	\$3,100	\$3,000		\$3,500	\$3,500	\$4,000	\$3,500
114. Chemicals	\$16,704	\$12,740	15,755	22,152	25,500	19,140	27,700		28,750	29,900	31,100	32,350
115. Eqpt/Eqpt Repair	12,532	12,480	39,209	13,344	28,000	21,240	52,000		13,000	43,000	60,000	34,000
116. Supplies	13,207	13,186	15,876	20,300	25,900	18,400	29,700		30,800	32,050	33,350	34,650
117. Employee/Duty Costs	2,265	2,224	1,542	2,609	6,000	5,500	8,000		8,450	8,500	9,000	9,500
122. Monitoring Equipment	1,508	2,419	4,365	5,686	5,500	1,000	9,700		5,500	9,700	5,500	9,700
123. Outside Lab Services	18,498	19,321	17,473	17,744	24,800	24,770	51,500		39,450	41,050	42,700	44,400
124. Contract Services						33,720	75,000		16,500	5,000	5,000	10,800
Subtotal	\$64,713	\$62,368	\$96,343	\$84,099	\$119,700	\$126,870	\$256,600	\$310,000	\$145,950	\$172,700	\$190,650	\$178,900
C. Vehicles												
222. Gas/Fuel	\$444	\$251	\$576	\$825	\$900	\$1,000	\$1,000		\$1,050	\$1,100	\$1,150	\$1,150
225. Operation/Repair	1,245	189	884	926	250	970	1,000		1,000	1,000	1,000	1,000
226. Vehicle Purchase	0	0	0	22,701	0	0	0		56,000	0	0	0
Subtotal	\$1,689	\$440	\$1,461	\$24,452	\$1,150	\$1,970	\$2,000	\$10,000	\$58,050	\$2,100	\$2,150	\$2,150
TOTALS	\$300,762	\$305,239	\$347,528	\$343,488	\$393,650	\$406,530	\$557,500	\$660,000	\$517,800	\$504,300	\$538,800	\$544,350

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 23-24	FY 24-25	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Actual	Actual	Actual	Actual	Budget	Projected Actual	Budget	Appropriation	Projected	Projected	Projected	Projected
14. Collection System												
A. Salary & Wages												
006. Engineering	\$8,324	\$7,641	\$4,782	\$4,907	\$7,600	\$4,600	\$4,900		\$5,200	\$5,450	\$5,700	\$6,000
050. Sewer Maintenance	189,689	233,518	223,340	286,149	274,200	318,800	301,600		316,700	332,500	349,150	366,600
060. Inspection	195,426	168,752	224,655	183,836	243,600	219,590	235,900		247,700	260,100	273,100	286,750
070. Investigations	4,245	1,312	2,747	6,170	4,450	2,590	20,600		21,600	22,650	23,800	25,000
085. Incentive		200	1,400	0	0	0	0		0	0	0	0
086. Vacation Buyout			0	0	0	0	0		0	0	0	0
090. Work from Home Reimbursement Allowance		800	225	0	0	0	0		0	0	0	0
Subtotal	\$397,684	\$412,223	\$457,150	\$481,062	\$529,850	\$545,580	\$563,000	\$650,000	\$591,200	\$620,700	\$651,750	\$684,350
B. Operation & Maintenance												
112. Communication	\$7,828	\$8,100	\$7,718	\$6,942	\$12,000	\$9,020	\$9,500		\$11,000	\$9,000	\$11,500	\$10,500
113. Emer/Safety Equipment	958	3,580	2,301	2,606	3,400	1,850	3,000		2,450	6,050	3,150	3,300
115. Eqpt/Eqpt Repair	50,497	21,821	35,104	60,340	44,500	41,070	74,500		108,700	60,750	80,350	65,050
116. Supplies	3,077	4,786	5,821	4,158	4,100	5,800	4,700		4,850	5,050	5,200	5,400
117. Employee/Duty Costs	9,315	6,063	7,050	10,434	15,500	18,500	21,500		19,900	20,400	20,900	20,900
124. Contract Services	120,840	80,808	79,814	126,724	0	0	105,000		105,000	105,000	105,000	105,000
127. JULIE	16,489	16,224	15,819	11,659	15,400	19,100	16,400		16,700	17,000	17,300	17,600
128. Overhead Sewer Program	6,088	27,333	8,814	6,017	15,000	6,000	15,000		15,000	15,000	15,000	15,000
129. Public Sewer Blockage Program	502	3,559	4,803	5,307	12,000	5,000	12,000		12,000	12,000	12,000	12,000
900. Collection System Repair	1,054,951	1,412,771	1,824,173	1,347,041	4,271,600	4,070,860	3,055,100		2,456,600	2,456,600	2,456,600	2,456,600
Subtotal	\$1,270,544	\$1,585,044	\$1,991,418	\$1,581,228	\$4,393,500	\$4,177,199	\$3,316,700	\$3,980,000	\$2,752,200	\$2,706,850	\$2,727,000	\$2,711,350
C. Vehicles												
222. Gas/Fuel	\$12,253	\$8,436	\$14,107	\$23,851	\$26,000	\$17,910	\$20,000		\$20,700	\$21,450	\$22,150	\$22,950
225. Operation/Repair	12,175	6,994	10,904	16,657	9,000	13,830	15,000		15,550	16,050	16,650	17,200
226. Vehicle Purchase	25,720	26,461	30,795	0	567,500	483,212	114,500		40,000	330,000	100,000	180,000
Subtotal	\$50,149	\$41,891	\$55,807	\$40,508	\$602,500	\$514,952	\$149,500	\$180,000	\$76,250	\$367,500	\$138,800	\$220,150
TOTALS	\$1,718,377	\$2,039,158	\$2,504,375	\$2,102,798	\$5,525,850	\$5,237,731	\$4,029,200	\$4,810,000	\$3,419,650	\$3,695,050	\$3,517,550	\$3,615,850

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 24-25 Appropriation	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
15. Lift Stations												
A. Salary & Wages												
006. Engineering	\$1,361	\$726	\$4,955	\$467	\$7,750	\$1,620	\$4,900		\$5,200	\$5,450	\$5,700	\$6,000
009. Oper. Management	3,998	106	3,861	1,999	4,250	\$8,660	1,500		1,600	1,650	1,750	1,850
030. Building & Grounds	3,394	286	808	3,205	900	\$7,030	2,400		2,550	2,650	2,800	2,950
080. Lift Station Maint.	53,858	11,861	9,603	11,274	15,700	\$13,690	22,400		23,500	24,650	25,900	27,200
Subtotal	\$62,611	\$12,979	\$19,227	\$16,946	\$28,600	\$31,000	\$31,200	\$50,000	\$32,850	\$34,400	\$36,150	\$38,000
B. Operation & Maintenance												
100. Electricity	\$119,635	\$101,719	\$115,814	\$153,398	\$162,000	\$124,200	\$200,000		\$203,000	\$210,000	\$217,500	\$225,000
104. Fuel - Generators	2,789	3,734	4,298	6,522	4,000	4,450	4,600		4,750	4,950	5,100	5,300
112. Communication	4,396	4,390	4,425	3,675	5,400	4,000	5,000		4,500	4,500	4,500	5,500
113. Emer/Safety Eqpt.	274	59	514	300	11,100	13,900	2,200		2,300	2,350	2,450	17,550
116. Supplies	73	183	171	169	300	300	400		350	350	350	400
124. Contract Services						20,000	500		21,500	500	500	500
500. Eqpt/Eqpt Repair	112,519	72,416	88,694	147,566	249,350	186,860	271,600		218,150	185,700	167,850	173,550
800. Building & Grounds	88,461	15,122	80,157	16,123	153,350	110,950	143,300		67,200	71,700	79,750	64,750
Subtotal	\$328,148	\$197,622	\$294,073	\$327,751	\$585,500	\$464,660	\$627,600	\$750,000	\$521,750	\$480,050	\$478,000	\$492,550
TOTALS	\$390,759	\$210,601	\$313,300	\$344,697	\$614,100	\$495,660	\$658,800	\$800,000	\$554,600	\$514,450	\$514,150	\$530,550
17. Insurance & Employee Benefits												
E. Insurance & Payroll												
452. Liability/Property	\$190,591	\$199,837	\$214,321	\$226,632	\$249,850	\$219,000	\$242,000		\$250,000	\$258,000	\$266,000	\$274,500
455. Employee Group Coverage	472,701	451,363	518,159	532,504	658,000	541,500	587,500		621,500	658,000	699,000	740,500
460. I.M.R.F.	275,719	296,425	286,739	256,235	250,000	205,500	194,000		235,500	231,000	225,500	218,500
461. Social Security	218,714	220,546	226,100	234,779	260,000	251,500	256,500		269,000	282,000	296,000	310,000
TOTALS	\$1,157,725	\$1,168,171	\$1,245,319	\$1,250,150	\$1,417,850	\$1,217,500	\$1,280,000	\$1,470,000	\$1,376,000	\$1,429,000	\$1,486,500	\$1,543,500
GRAND TOTALS	\$8,284,836	\$9,482,918	\$8,839,892	\$8,773,644	\$14,496,550	\$12,948,920	\$13,724,400	\$16,260,000	\$12,674,750	\$13,470,050	\$13,622,000	\$14,154,050

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 23-24	FY 24-25	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
	Actual	Actual	Actual	Actual	Budget	Projected Actual	Budget	Appropriation	Projected	Projected	Projected	Projected
REVENUES												
User receipts	\$3,097,564	\$3,317,633	\$3,670,965	\$3,735,727	\$3,959,800	\$4,010,500	\$4,702,200	\$4,702,200	\$5,463,700	\$6,192,800	\$6,890,600	\$7,557,900
Surcharges	343,452	310,537	354,923	392,992	418,000	405,500	474,000	\$474,000	521,000	577,000	635,000	700,000
Monthly service fees	4,068,677	4,126,210	4,174,355	4,524,537	4,836,800	4,703,500	4,860,200	4,860,200	5,071,700	5,314,700	5,346,300	5,346,300
Plan review fees	418	230	3,585	244	500	100	500	500	500	500	500	500
Const inspection fees	0	0	548	316	500	100	500	500	500	500	500	500
Permit inspection fees	24,728	16,952	19,144	17,821	20,000	17,000	19,000	19,000	19,500	19,500	20,000	20,000
Interest	51,925	21,539	8,441	129,297	67,050	340,800	77,500	77,500	53,000	46,000	46,000	53,000
Sampling & monitoring charges	103,235	104,388	111,473	117,546	113,000	115,600	116,000	116,000	119,500	123,100	126,800	130,600
Real estate taxes	1,219,196	1,255,378	1,301,388	1,363,345	1,403,700	1,430,718	1,473,600	1,473,600	1,517,800	1,563,300	1,610,200	1,658,500
Television inspection fees	0	0	0	0	150	0	150	150	150	150	150	150
Replacement taxes	98,083	92,480	214,976	281,814	120,000	215,687	120,000	120,000	120,000	120,000	120,000	120,000
Lease payments	34,456	34,707	35,624	37,743	39,300	39,065	40,000	40,000	40,800	41,600	42,450	43,300
Miscellaneous	13,502	31,930	17,554	9,758	5,000	4,143	4,000	4,000	4,000	4,000	4,000	4,000
Sale of electricity			4,547	13,234	12,000	12,000	20,000	20,000	20,000	20,000	20,000	20,000
Sale of property			19,405	11,818	37,700	16,028	92,000	92,000	40,000	13,000	15,000	28,000
Grease waste	186,142	149,426	210,066	203,438	230,000	195,780	200,000	200,000	200,000	200,000	200,000	200,000
Interfund transfer			(275,000)	(500,000)	(800,000)	(800,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)
Renewable energy credits	3,722	0	0	62,619	24,000	44,640	30,000	30,000	30,000	30,000	30,000	30,000
Grants and incentives			160,259	63,427	1,589,881	1,592,130	0	0	0	0	0	0
TOTAL REVENUES	\$9,245,099	\$9,461,410	\$10,032,253	\$10,465,675	\$12,077,381	\$12,343,290	\$11,079,650	\$11,079,650	\$12,072,150	\$13,116,150	\$13,957,500	\$14,762,750
TOTAL EXPENSES	\$8,284,836	\$9,482,918	\$8,839,892	\$8,773,644	\$14,496,550	\$12,948,920	\$13,724,400	\$16,260,000	\$12,674,750	\$13,470,050	\$13,622,000	\$14,154,050
EXCESS (DEFICIT) REVENUES OVER EXPENSES	\$960,263	(\$21,507)	\$1,192,361	\$1,692,032	(\$2,419,169)	(\$605,630)	(\$2,644,750)	(\$5,180,350)	(\$602,600)	(\$353,900)	\$335,500	\$608,700
ENDING FUND BALANCE	\$4,237,890	\$4,216,382	\$5,408,744	\$7,100,776	\$4,681,607	\$6,495,145	\$3,850,395	\$1,314,795	\$3,247,795	\$2,893,895	\$3,229,395	\$3,838,095
DESIGNATED - REPLACEMENT FUND	\$820,000	\$820,000	\$820,000	\$820,000	\$820,000	\$820,000	\$820,000		\$820,000	\$820,000	\$820,000	\$820,000
UNDESIGNATED	\$3,417,890	\$3,396,382	\$4,588,744	\$6,280,776	\$3,861,607	\$5,675,145	\$3,030,395		\$2,427,795	\$2,073,895	\$2,409,395	\$3,018,095
ENDING FUND BALANCE AS PERCENTAGE OF TOTAL EXPENSES	51%	44%	61%	81%	32%	50%	28%		26%	21%	24%	27%
USER RATE	\$1.70	\$1.80	\$1.95	\$2.05	\$2.25	\$2.25	\$2.75		\$3.25	\$3.75	\$4.25	\$4.75
INCREASE FROM PRIOR YEAR'S RATE	3.0%	5.9%	8.3%	5.1%	9.8%	9.8%	22.2%		18.2%	15.4%	13.3%	11.8%
MONTHLY SERVICE FEE	\$17.00	\$17.00	\$17.00	\$19.00	\$20.00	\$20.00	\$20.00		\$21.00	\$22.00	\$22.00	\$22.00
INCREASE FROM PRIOR YEAR'S FEE	6.3%	0.0%	0.0%	11.8%	5.3%	5.3%	0.0%		5.0%	4.8%	0.0%	0.0%

GENERAL CORPORATE FUND EXPENDITURES

Summary

The annual budgets for operation, maintenance and replacement for the next five years are provided in Exhibit 1. The proposed budget amounts represent the best estimates of actual expenditures each year. Necessary contingencies for FY 2024-25 are provided in the proposed appropriation amounts for the major categories in each department. The appropriation amounts represent the legal limit on spending during the year as established in the appropriation ordinance.

Actual expenditures for FY 2023-24 are projected to be \$12,948,920, which is approximately 11% less than was budgeted. Total operation, maintenance and replacement expenditures for FY 2024-25 are budgeted at \$13,724,400 and actual expenditures are expected to be 100% of the budget. The FY 2024-25 budget is approximately 5% lower than the FY 2023-24 budget. The decrease in budgeted expenses over the previous year's budget is due to the FY 2023-24 budget being increased to accommodate a couple of larger construction projects which had been delayed from previous fiscal years. For the past few years, the ending fund balance has been above the target level, which is 25% of the total annual expenses. The projected actual increase in expenditures in FY 2023-24 and the proposed expenditures in the next three years will bring down the surplus. The following table presents budget and actual totals for the last ten years and projected budget totals for the next five years:

<u>Fiscal Year</u>	<u>O & M Budget</u>	<u>Actual Expenditures</u>	<u>% of Actual to Budget</u>	<u>Annual Increase in Actual Expenditures</u>
2014-15	7,509,450	7,546,493	100%	-0.2%
2015-16	7,824,150	7,379,248	94%	-2.2%
2016-17	8,343,000	8,299,047	99%	12.5%
2017-18	8,796,200	8,295,420	94%	0.0%
2018-19	9,204,250	8,539,717	93%	2.9%
2019-20	9,429,400	8,284,836	88%	-3.0%
2020-21	10,931,950	9,482,918	87%	14.5%
2021-22	11,301,900	8,839,892	78%	-6.8%
2022-23	13,015,350	8,773,644	67%	-0.7%
2023-24	14,496,550	12,948,920*	89%*	47.6%*
2024-25	13,724,400	13,724,400*	100%*	6.0%*
2025-26	12,674,750	12,674,750*	100%*	-7.6%*
2026-27	13,470,050	13,470,050*	100%*	6.3%*
2027-28	13,622,000	13,622,000*	100%*	1.1%*
2028-29	14,154,050	14,154,050*	100%*	3.9%*

*Projected

The increase from FY 2015-16 to FY 2016-17 represents the successful completion of new and outstanding sewer system rehabilitation and replacement projects and new equipment in the sewer televising truck. The increase from FY 2017-18 to FY 2018-19 represents an increase in the annual expenditures for sewer replacement and rehabilitation. The increase from FY 2019-20 to FY 2020-21 is due to carryover of FY 2019-20 projects as well as a combined heat and power (CHP) engine replacement. The actual expenses in FY 2020-21, FY 2021-22 and FY 2022-23 were below budget due to planned expenses being moved into future

fiscal years. This was partly due to large construction projects being delayed. It was also due to the cost of goods being higher than anticipated requiring the delay of in-house projects in order to re-budget them at the actual cost. In general, the increase in the proposed O&M expenses for the next five years over expenditures for the past ten years is due to several projects and equipment replacements associated with aging infrastructure, which are shown in Exhibit 2, as well as an overall increase in the cost of goods. The FY 2024-25 proposed expenditures are higher than the projected actual expenditures in FY 2023-24 for several additional reasons, which are discussed in more detail herein.

Analysis by Type of Expenditure

I. Salaries and Wages

<u>Year</u>	<u>Salaries and Wages</u>	<u>Change</u>	<u>Full Time Equivalents</u>
FY 2019-20	3,015,522	4.0%	36.7
FY 2020-21	2,932,985	-2.7%	35.5
FY 2021-22	3,008,065	2.6%	35.9
FY 2022-23	3,137,440	4.3%	37.6
FY 2023-24	3,347,190	6.7%	36.9
FY 2024-25	3,420,900	2.2%	36.8
FY 2025-26	3,591,100	5.0%	36.8
FY 2026-27	3,769,550	5.0%	36.8
FY 2027-28	3,957,100	5.0%	36.8
FY 2028-29	4,154,050	5.0%	36.8

The increase in FY 2019-20 reflects the addition of a staff engineering position and some overlapping hires needed to address pending retirements. Salaries and wages decreased in FY 2020-21 reflecting turnover at two higher salary positions, the general manager and sewer construction supervisor positions, due to retirement. The increase in FY 2021-22 reflects hiring of a permit technician to fill the position that was vacated by a promotion to the sewer construction supervisor position, hiring an operator due to a pending retirement, and the COVID pandemic related compensation, including the work from home allowance, vaccination incentives and a vacation buyout. The increase in FY 2021-22 due to these items was offset by the administrative supervisor position being open for a couple of months. The increase in FY 2022-23 was due to an average full-time salary adjustment of 5% plus the hiring of a mechanic in anticipation of retirement at the maintenance supervisor position and hiring of a part-time billing assistant. The increase in FY 2023-24 salaries and wages reflects a 7.7% salary adjustment for full-time employees, overlapping hires needed to address retirement at two positions, and planned vacation buyout for the retirees. The projected FY 2023-24 salary and wages also includes an extra employee payroll to get the employee payrolls aligned with the claim ordinance schedule. The proposed increase in salary and wages for FY 2024-25 is modest compared to other years due to a reduction in full-time employees. The staff engineering position was vacated and is not currently planned to be filled, and retirements resulted in the sunseting of overlapping positions which had occurred in order to train new employees prior to the retirements. The District intends to restart the summer intern program in FY 2024-25 and continue it moving forward. Annual salary adjustments of 5.0% at full staffing account for future increases beyond FY 2024-25.

II. O & M Expenses – Utilities

<u>Year</u>	<u>Utilities</u>	<u>Change</u>
FY 2019-20	229,948	2.8%
FY 2020-21	261,230	13.6%
FY 2021-22	226,077	-13.5%
FY 2022-23	301,185	33.2%
FY 2023-24	315,460	4.7%
FY 2024-25	414,550	31.4%
FY 2025-26	424,900	2.5%
FY 2026-27	437,450	3.0%
FY 2027-28	452,900	3.5%
FY 2028-29	468,650	3.5%

The increases in FY 2019-20 and FY 2020-21 are due to one and at times both CHP systems being out of service. The new CHP system to replace the CHP unit that failed in 2019 was placed into full-time operation in March of 2021. The decrease in FY 2021-22 is due to the second CHP system being in service for the entire year. The increase in FY 2022-23 is partly due to garbage expenses associated with years of accumulated grit removed from the sewer system during cleaning and spent media from the biogas cleaning system, which were disposed of in 2022. The increase in FY 2022-23 is also partly due to cash received for the sale of electricity no longer being applied against the expense code. (See the revenue section herein for more details.) Electricity and natural gas pricing increased significantly in 2022. Total utility expenses in FY 2023-24 are projected to be 9% over the budget of \$289,900. Several factors contributed to going over budget on utilities in FY 2023-24. These include the CHP units being in operation only 65% of the time; the electricity supplier's failure to bill correctly for the WWTC causing invoices for FY 2021-22 to not be paid until FY 2022-23; and the addition of the carbon-free energy resource adjustment to the electric utility's invoices. Since the creation of the sale of electricity revenue code in FY 2022-23, the sale of electricity has only been applied to the revenue code when the electric utility issued a check due to the invoice showing a credit. Otherwise, the sale of electricity was used to offset the expenses on the utility's invoices. Starting in FY 2024-25, all electricity sales will be coded to sale of electricity. The electricity budget for the WWTC reflects these credits no longer being applied directly to the electricity expenses. This will allow the District to more easily track the full revenue from excess electricity generation. The distribution facility charges, which is a large portion of the utility's bill, increased by approximately 30% at the beginning of 2024. This increase is also reflected in the budgeted electricity expenses for FY 2024-25. Electricity prices are projected to grow at 3.5%, and natural gas prices are projected to grow at 4% per year.

III. O & M Expenses – Other

<u>Year</u>	<u>O & M Expenses - Excluding Utilities</u>	<u>Change</u>
FY 2019-20	3,740,986	-9.6%
FY 2020-21	5,061,591	35.3%
FY 2021-22	4,224,898	-16.5%
FY 2022-23	3,944,245	-6.6%
FY 2023-24	7,506,951	90.3%
FY 2024-25	8,284,800	10.4%
FY 2025-26	7,004,100	-15.5%
FY 2026-27	7,367,950	5.2%
FY 2027-28	7,540,550	2.3%
FY 2028-29	7,640,000	1.3%

The FY 2020-21 expenses are significantly higher than in previous years due to replacement of a CHP engine and a composting pilot as well as the WAS thickener project not being completed in FY 2019-20 as originally planned. In general, expenses in FY 2023-24 and over the next five years are projected to be significantly higher in comparison to the last five years to address aging infrastructure. Expenses for FY 2023-24 were significantly higher than previous years for several reasons in addition to aging infrastructure. These include bidding of the Curtiss St lining project being delayed while the District worked through the grant application process with USEPA, construction on the outfall sewer sag repair project progressing very slowly, higher than historic inflation rates, code compliance issues identified in the B&W report being addressed at the Wastewater Treatment Center, digester cleaning, and SCADA software upgrades. While the FY 2023-24 other O&M expenses are significantly higher than previous years, they are projected to finish approximately \$1,000,000 or 12% below the budget of \$8,554,650. The budgeted FY 2024-25 expenses are higher than the previous year. This is partly due to expenses, such as the dump truck purchase, which were delayed in FY 2023-24 and have been moved into FY 2024-25. The radio enhancement, blower room mitigation and pretreatment consulting are major planned expenses for FY 2024-25 which were not included in the five-year plan last year but need to be completed as soon as possible. The District has critical equipment that is beyond or reaching its useful life for which replacement funds are not available. Some of this equipment is identified in the list of projects not included in the five-year plan, which is found at the end of this document. Staff identified the need for a facility plan in order to determine the full replacements costs needed, make sure that major expenditures fit within the long-term needs of the District facilities and to plan out when the expenses need to be made and how the District will fund them. To this end, a facility plan has been included in the major expenses for FY 2024-25 and FY 2025-26. Sewer rehabilitation projects are planned for FY 2024-25 at approximately \$600,000 greater than the typical annual sewer system repair budget. This is based on need but also the hope that combining multiple sewer lining projects will result in more competitive bids. Major planned expenses are detailed in Exhibit 2.

IV. Vehicles

<u>Year</u>	<u>Vehicle Expenses</u>	<u>Number of Vehicles</u>	<u>Change</u>
FY 2019-20	140,654*	3	134.5%
FY 2020-21	58,941**	1	-58.1%
FY 2021-22	135,534	3	129.9%
FY 2022-23	140,623	3	3.8%
FY 2023-24	561,819	2	299.5%
FY 2024-25	324,100	5	-42.3%
FY 2025-26	278,650	4	-14.0%
FY 2026-27	466,100	3	67.3%
FY 2027-28	184,950	1	-60.3%
FY 2028-29	347,850	3	88.1%

*Revenue from the sale of a portion of the vehicles replaced is included in the expense shown.

** Revenue from the sale of vehicles is included where revenue is not included in subsequent years as it started being coded to the sale of property revenue code in FY 2021-22.

Vehicle expenses fluctuate based on vehicle replacement needs. Historically, small vehicles were generally scheduled for replacement after six years of use, while larger heavy-duty vehicles have a longer service life. Small CNG vehicles were scheduled for replacement after 10 years. The planned replacement schedule, however, has been affected by supply chain issues over the past four years. Ordered vehicles are taking much longer to arrive, and the significant savings that the District historically received through the government purchasing cooperatives are no longer available. The 2023 pricing through these programs provides a small percentage off MSRP. In addition, vehicles were not available at the beginning of FY 2023-24, and those that were ordered later in the fiscal year will not arrive until FY 2024-25. As a result of these issues, the replacement schedules have been extended to ten to twelve years. Proposed vehicle replacements are detailed in Exhibit 2 under budget codes 11C226, 12C226, 13C226 and 14C226. Major proposed replacements include the TV truck in FY 2026-27 and the jetter in FY 2028-29. The two vehicles which were planned to be sold in FY 2019-20 were not sold until FY20-21 due to delays associated with the COVID pandemic. Rather than posting the revenue against the vehicle expenses as was historically done, the \$20,251 sales revenue was posted to miscellaneous revenue for FY 2020-21. As recommended by the District's auditor in FY 2021-22, the sale of vehicles started to be applied to sale of property under revenue rather than to the vehicle expense code. The exception to this is trade-ins which are applied directly to the purchase price of the new vehicle.

V. Insurance and Employee Benefits

<u>Year</u>	<u>Ins/Emp Benefits</u>	<u>Change</u>
FY 2019-20	1,157,725	-4.8%
FY 2020-21	1,168,171	0.9%
FY 2021-22	1,245,319	6.6%
FY 2022-23	1,250,150	0.4%
FY 2023-24	1,217,500	-2.6%
FY 2024-25	1,280,000	5.1%
FY 2025-26	1,376,000	7.5%
FY 2026-27	1,429,000	3.9%
FY 2027-28	1,486,500	4.0%
FY 2028-29	1,543,500	3.8%

The proposed increases in these expenditures are due to anticipated premium increases on all coverages, particularly employee group medical, workers compensation and property and liability. IMRF contributions are expected to decrease each year over the next five years due to anticipated retirement activity. Proposed IMRF and social security expenses reflect the proposed annual salary adjustments.

Analysis by Department

The following tables provide an analysis of proposed expenditures from the General Corporate Fund by Department.

DOWNERS GROVE SANITARY DISTRICT - FIVE YEAR FINANCIAL PLAN - FISCAL YEARS 2024-2025 to 2028-2029

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 24-25 Appropriation	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
SUMMARY AND ANALYSIS												
EXPENSE ANALYSIS BY DEPARTMENT												
ADMINISTRATION												
SALARIES AND WAGES	\$1,034,786	\$888,440	\$856,498	\$918,308	\$1,056,100	\$982,120	\$1,014,700	\$1,170,000	\$1,064,550	\$1,116,800	\$1,171,650	\$1,229,300
% CHANGE FROM PRIOR YEAR	17.9%	-14.1%	-3.6%	7.2%	15.0%	6.9%	3.3%		4.9%	4.9%	4.9%	4.9%
OFFICE EXPENSES	\$330,858	\$338,832	\$364,848	\$439,681	\$633,650	\$692,900	\$923,400	\$1,110,000	\$751,250	\$579,750	\$594,600	\$598,200
% CHANGE FROM PRIOR YEAR	-11.7%	2.4%	7.7%	20.5%	44.1%	57.6%	33.3%		-18.6%	-22.8%	2.6%	0.6%
VEHICLE EXPENSES	\$3,331	\$680	\$2,019	\$21,477	\$5,800	\$3,250	\$33,800	\$50,000	\$34,900	\$6,100	\$6,300	\$6,500
% CHANGE FROM PRIOR YEAR	69.0%	-79.6%	197.0%	963.9%	-73.0%	-84.9%	940.0%		3.3%	-82.5%	3.3%	3.2%
TOTAL ADMINISTRATION EXPENSES	\$1,368,974	\$1,227,952	\$1,223,365	\$1,379,466	\$1,695,550	\$1,678,270	\$1,971,900	\$2,330,000	\$1,850,700	\$1,702,650	\$1,772,550	\$1,834,000
% CHANGE FROM PRIOR YEAR	9.1%	-10.3%	-0.4%	12.8%	22.9%	21.7%	17.5%		-6.1%	-8.0%	4.1%	3.5%

COMMENTS

Salaries and Wages	The higher salary level in FY 2019-20 was a result of succession planning for the General Manager position. The decrease in salary level in FY 2020-21 was a result of retirements at the General Manager and Sewer Construction Supervisor positions. The higher than typical budgeted increase in FY 2023-24 was mostly due to planning for the retirement of the Sewer Maintenance Supervisor. Unfortunately, the Sewer System Engineering Technician position, which the District had intended to fill at the beginning of the FY to allow for training before promotion of the new Sewer Maintenance Supervisor, was not filled until after the Sewer Maintenance Supervisor retired. This contributed to the projected salary and wages being under budget for FY 2023-24.
Office	With the FY 2021-22 change in staffing at the Administrative Supervisor position, contract services for IT support were increased. The increase in office expenses in FY 2022-23 was primarily due to replacement of the Administration Center server and network infrastructure. Remodeling of the reception area and Board room, new carpeting in the main office area and installation of the old Centex Lift Station generator to provide standby power at the Administration Center were completed in FY 2023-24. Numerous failures with the existing accounting system caused unexpected expenses, including programming support and a downpayment on a new accounting system software, that resulted in the Administration Department office expenses ending over budget in FY 2023-24. Major expenses planned in FY 2024-25 are new accounting system software, a new timekeeping system, replacement of the Wastewater Treatment Center server, network storage, engineering consultant expenses to start a facility plan and additional remodeling in the Administration Center. Future major expenses planned are the copier replacement and finalizing the facility plan in FY 2025-26, remodeling the cubicles in FY 2026-27, and data server replacements in both FY 2027-28 and FY 2028-29. Refer to Exhibit 2 for details on major expenses.
Vehicles	Vehicle costs reflect replacement of vehicles in FY 2022-23, FY 2024-25 and FY 2025-26 as well as fuel and normal maintenance and repairs in all years. Fuel costs significantly increased in FY 2022-23.

DOWNERS GROVE SANITARY DISTRICT - FIVE YEAR FINANCIAL PLAN - FISCAL YEARS 2024-2025 to 2028-2029

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 24-25 Appropriation	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
SUMMARY AND ANALYSIS												
EXPENSE ANALYSIS BY DEPARTMENT												
WASTEWATER TREATMENT CENTER												
SALARIES AND WAGES	\$1,286,080	\$1,376,912	\$1,425,466	\$1,486,188	\$1,595,650	\$1,510,800	\$1,513,100	\$1,740,000	\$1,588,700	\$1,668,150	\$1,751,550	\$1,839,100
% CHANGE FROM PRIOR YEAR	4.4%	7.1%	3.5%	4.3%	7.4%	1.7%	0.2%		5.0%	5.0%	5.0%	5.0%
OPERATION & MAINTENANCE EXPENSES	\$1,976,672	\$3,138,955	\$1,704,291	\$1,812,671	\$3,112,100	\$2,360,782	\$3,575,100	\$4,290,000	\$3,257,850	\$3,866,050	\$4,003,200	\$4,127,650
% CHANGE FROM PRIOR YEAR	37.3%	58.8%	-45.7%	6.4%	71.7%	30.2%	51.4%		-8.9%	18.7%	3.5%	3.1%
VEHICLE EXPENSES	\$85,486	\$15,930	\$76,248	\$54,187	\$141,800	\$41,648	\$138,800	\$160,000	\$109,450	\$90,400	\$37,700	\$119,050
% CHANGE FROM PRIOR YEAR	126.8%	-81.4%	378.6%	-28.9%	161.7%	-23.1%	233.3%		-21.1%	-17.4%	-58.3%	215.8%
TOTAL PLANT EXPENSES	\$3,348,238	\$4,531,797	\$3,206,006	\$3,353,046	\$4,849,550	\$3,913,229	\$5,227,000	\$6,190,000	\$4,956,000	\$5,624,600	\$5,792,450	\$6,085,800
% CHANGE FROM PRIOR YEAR	23.6%	35.3%	-29.3%	4.6%	44.6%	16.7%	33.6%		-5.2%	13.5%	3.0%	5.1%

COMMENTS

Salaries and Wages	WWTC salaries and wages reflect full staffing and projected annual salary adjustments. The proposed hiring of summer interns, which was halted in FY 2020-21 due to COVID, is included in FY 2024-25 and all future years.
Operation & Maintenance	Planned upgrades and replacements are detailed in Exhibit 2 under codes 12B500 and 12B800. Operation & maintenance expenses are planned to be higher over the next five years due to digester cleaning, SCADA software platform and PLC replacement, items identified in the Baxter & Woodman code review report, replacement of the diesel storage tank, and motor control center (MCC) replacements. Dump truck replacement, replacement of the utility's automatic throwover switch (ATO), radio enhancement in the tunnels and basements at the WWTC for first responders and mitigation of the Operations Center blower room are major expenses included in the FY 2024-25 budget. Chemical costs are budgeted to increase in FY 2024-25 as the District will have to purchase bulk hypochlorite now that the OSEC generator has reached the end of its useful life. Chemical costs are budgeted to increase again in FY 2027-28 due to the anticipated startup of chemical phosphorus removal. A portion of this expense is offset by the elimination of the special assessments to the DuPage River Salt Creek Workgroup (DRSCW) ending in FY 2026-27. (The Nutrient Implementation Plan submitted by the DRSCW to IEPA in December 2023 recommended that the special assessments continue and phosphorus removal be delayed for several more years. These recommendation are expected to be reflected in next year's five-year plan.)
Vehicles	Vehicle costs vary based on replacement needs. Vehicle replacements are detailed in Exhibit 2 under budget code 12C226. The cost of fuel increased significantly in FY 2022-23.

DOWNERS GROVE SANITARY DISTRICT - FIVE YEAR FINANCIAL PLAN - FISCAL YEARS 2024-2025 to 2028-2029

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 24-25 Appropriation	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
SUMMARY AND ANALYSIS												
EXPENSE ANALYSIS BY DEPARTMENT												
LABORATORY												
SALARIES AND WAGES	\$234,360	\$242,431	\$249,725	\$234,937	\$272,800	\$277,690	\$298,900	\$340,000	\$313,800	\$329,500	\$346,000	\$363,300
% CHANGE FROM PRIOR YEAR	6.2%	3.4%	3.0%	-5.9%	16.1%	18.2%	7.6%		5.0%	5.0%	5.0%	5.0%
OPERATION & MAINTENANCE EXPENSES	\$64,713	\$62,368	\$96,343	\$84,099	\$119,700	\$126,870	\$256,600	\$310,000	\$145,950	\$172,700	\$190,650	\$178,900
% CHANGE FROM PRIOR YEAR	10.8%	-3.6%	54.5%	-12.7%	42.3%	50.9%	102.3%		-43.1%	18.3%	10.4%	-6.2%
VEHICLE EXPENSES	\$1,689	\$440	\$1,461	\$24,452	\$1,150	\$1,970	\$2,000	\$10,000	\$58,050	\$2,100	\$2,150	\$2,150
% CHANGE FROM PRIOR YEAR	260.5%	-73.9%	231.6%	1574.1%	-95.3%	-91.9%	1.5%		2802.5%	-96.4%	2.4%	0.0%
TOTAL LABORATORY EXPENSES	\$300,762	\$305,239	\$347,528	\$343,488	\$393,650	\$406,530	\$557,500	\$660,000	\$517,800	\$504,300	\$538,800	\$544,350
% CHANGE FROM PRIOR YEAR	7.6%	1.5%	13.9%	-1.2%	14.6%	18.4%	37.1%		-7.1%	-2.6%	6.8%	1.0%

COMMENTS

Salaries and Wages	Projected lab salaries and wages reflect future annual salary adjustments with the laboratory supervisor and two full-time analysts. Salary and wages decreased in FY 2022-23 due to turnover at a lab analyst position. Hiring of summer help is included starting in FY 2024-25.
Operation & Maintenance	Consulting services to assist with pretreatment program updates and permitting of dischargers who are currently not permitted, both of which were recommended by EPA during their inspection in June 2023, are budgeted in FY 2024-25 and FY 2025-26. Other major expenditures during the five-year period include scheduled equipment replacements and renewal of the online analyzer service contracts. These are detailed in Exhibit 2 under codes 13B115 and 13B124.
Vehicles	Normal vehicle fuel and repair costs are included for the five year period, with replacement of the lab van in FY 2025-26.

DOWNERS GROVE SANITARY DISTRICT - FIVE YEAR FINANCIAL PLAN - FISCAL YEARS 2024-2025 to 2028-2029

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 24-25 Appropriation	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
SUMMARY AND ANALYSIS												
EXPENSE ANALYSIS BY DEPARTMENT												
COLLECTION SYSTEM												
SALARIES AND WAGES	\$397,684	\$412,223	\$457,150	\$481,062	\$529,850	\$545,580	\$563,000	\$650,000	\$591,200	\$620,700	\$651,750	\$684,350
% CHANGE FROM PRIOR YEAR	-18.7%	3.7%	10.9%	5.2%	10.1%	13.4%	3.2%		5.0%	5.0%	5.0%	5.0%
OPERATION & MAINTENANCE EXPENSES	\$1,270,544	\$1,585,044	\$1,991,418	\$1,581,228	\$4,393,500	\$4,177,199	\$3,316,700	\$3,980,000	\$2,752,200	\$2,706,850	\$2,727,000	\$2,711,350
% CHANGE FROM PRIOR YEAR	-41.6%	24.8%	25.6%	-20.6%	177.9%	164.2%	-20.6%		-17.0%	-1.6%	0.7%	-0.6%
VEHICLE EXPENSES	\$50,149	\$41,891	\$55,807	\$40,508	\$602,500	\$514,952	\$149,500	\$180,000	\$76,250	\$367,500	\$138,800	\$220,150
% CHANGE FROM PRIOR YEAR	152.5%	-16.5%	33.2%	-27.4%	1387.4%	1171.2%	-71.0%		-49.0%	382.0%	-62.2%	58.6%
TOTAL COLLECTION SYSTEM EXPENSES	\$1,718,377	\$2,039,158	\$2,504,375	\$2,102,798	\$5,525,850	\$5,237,731	\$4,029,200	\$4,810,000	\$3,419,650	\$3,695,050	\$3,517,550	\$3,615,850
% CHANGE FROM PRIOR YEAR	-36.0%	18.7%	22.8%	-16.0%	162.8%	149.1%	-23.1%		-15.1%	8.1%	-4.8%	2.8%

COMMENTS

Salaries and Wages	The plan reflects full staffing and normal planned annual increases.
Operation & Maintenance	Continued implementation of the Building Sanitary Service Repair Assistance Program (BSSRAP) is reflected, with the increase based on the five-year contract which was signed in FY 2022-23. The increase in collection system operation and maintenance expenses for FY 2023-24 is due to the Curtiss St lining project and the outfall repair project, which were originally budgeted in previous fiscal years, finally being constructed. Lining of sections of the outfall pipe is planned to be spread over two fiscal years, starting in FY 2024-25. Lining of another section of sewer on Ogden Ave is planned for FY 2024-25 as well as lining of a section of sewer that is rated likely to fail within the next five years. The FY 2024-25 expenses also includes higher than historic repair expenses for the flow meters in order to get them all back in working condition. Additional detail on sewer repair work is found in Exhibit 2 under code 14B900.
Vehicles	Vehicle costs reflect fuel and normal maintenance and repairs. Future vehicle purchases are shown in Exhibit 2 under section 14C226. FY 2026-27 includes replacement of the TV truck, and FY 2028-29 includes the replacement of the jetter truck.

DOWNERS GROVE SANITARY DISTRICT - FIVE YEAR FINANCIAL PLAN - FISCAL YEARS 2024-2025 to 2028-2029

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 24-25 Appropriation	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
SUMMARY AND ANALYSIS												
EXPENSE ANALYSIS BY DEPARTMENT												
LIFT STATIONS												
SALARIES AND WAGES	\$62,611	\$12,979	\$19,227	\$16,946	\$28,600	\$31,000	\$31,200	\$50,000	\$32,850	\$34,400	\$36,150	\$38,000
% CHANGE FROM PRIOR YEAR	-21.9%	-79.3%	48.1%	-11.9%	68.8%	82.9%	0.6%		5.3%	4.7%	5.1%	5.1%
OPERATION & MAINTENANCE EXPENSES	\$328,148	\$197,622	\$294,073	\$327,751	\$585,500	\$464,660	\$627,600	\$750,000	\$521,750	\$480,050	\$478,000	\$492,550
% CHANGE FROM PRIOR YEAR	3.6%	-39.8%	48.8%	11.5%	78.6%	41.8%	35.1%		-16.9%	-8.0%	-0.4%	3.0%
TOTAL LIFT STATION EXPENSES	\$390,759	\$210,601	\$313,300	\$344,697	\$614,100	\$495,660	\$658,800	\$800,000	\$554,600	\$514,450	\$514,150	\$530,550
% CHANGE FROM PRIOR YEAR	-1.5%	-46.1%	48.8%	10.0%	78.2%	43.8%	32.9%		-15.8%	-7.2%	-0.1%	3.2%

COMMENTS

Salaries and Wages	The budget reflects salary adjustments based on the proportion of recent time spent on lift stations for engineering and maintenance staff. The higher increase shown for FY 2023-24 and continued through the following five years reflects the anticipated shift in staff time from the wastewater treatment center to the lift stations due to planned lift station and force main projects, which are detailed in Exhibit 2.
Operation & Maintenance	Planned expenses for the lift stations are shown in Exhibit 2 under 15B113, 15B124, 15B500 and 15B800. Major expenses include the arc flash study, an engineering study to plan replacement of the College Lift Station, automatic throw over switch (ATO) and motor replacements at Hobson Lift Station and ultrasonic testing of the Hobson and Wroble Lift Stations' walls.

DOWNERS GROVE SANITARY DISTRICT - FIVE YEAR FINANCIAL PLAN - FISCAL YEARS 2024-2025 to 2028-2029

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 24-25 Appropriation	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
SUMMARY AND ANALYSIS												
EXPENSE ANALYSIS BY DEPARTMENT												
INSURANCE AND EMPLOYEE BENEFITS												
TOTAL INSURANCE/EMPLOYEE BENEFITS	\$1,157,725	\$1,168,171	\$1,245,319	\$1,250,150	\$1,417,850	\$1,217,500	\$1,280,000	\$1,470,000	\$1,376,000	\$1,429,000	\$1,486,500	\$1,543,500
% CHANGE FROM PRIOR YEAR	-4.8%	0.9%	6.6%	0.4%	13.4%	-2.6%	5.1%		7.5%	3.9%	4.0%	3.8%

COMMENTS

Projected expenses for insurance and employee benefits reflect the following factors:

1. An expected increase in liability and property premiums of 11% is budgeted for FY 2024-25. Annual net increases of 5% are shown thereafter.
2. An increase of 8% for employee group medical was included for FY 2024-25 at the recommendation of the District's broker. A 5% increase was included for dental in FY 2024-25, and a 10% increase was included for vision as the four-year rate guarantee is ending. Increases of 6% for employee group medical, dental and vision are included for each year thereafter.
3. IMRF contributions are expected to decrease over the next five years mainly due to normal cost reductions impacted by upcoming retirements as well as adjustments to the unfunded actuarial accrued liability percentage rate.
4. No change is expected in the District's social security contribution rate. The overall social security expense accounts for proposed annual increases in wages.

DOWNERS GROVE SANITARY DISTRICT
MAJOR REPLACEMENTS AND PURCHASES BY BUDGET CODE
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 2

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
GENERAL CORPORATE FUND					
11B115 (ADMIN-Eqpt/Eqpt Repair)					
1. Replace data server	30,000			30,000	30,000
2. Network-attached storage	15,000				
3. Accounting system replacement	108,100				
4. Timekeeping system replacement	6,900				
5. Copier replacement		13,000			
Annual Totals	\$160,000	\$13,000	\$0	\$30,000	\$30,000
11B118 (ADMIN-Building & Grounds)					
1. Remodel workstations (cubicles)			30,000		
2. Replace floor tiles	8,000				
3. Replace ceiling tiles	6,000				
4. Vestibule and Board room decorating	5,000				
Annual Totals	\$19,000	\$0	\$30,000	\$0	\$0
11B124 (ADMIN-Contract Services)					
1. Decennical Committee facilitation	9,725				
2. Facility Plan	150,000	150,000			
Annual Totals	\$159,725	\$150,000	\$0	\$0	\$0
11B137 (ADMIN-Dues/Subscriptions)					
1. National Association of Clean Water Agencies	1,200	1,250	1,250	1,300	1,350
2. Illinois Association of Wastewater Agencies	4,400	4,550	4,650	4,800	4,950
3. Midwest Biosolids Association	1,150	1,150	1,200	1,250	1,250
Annual Totals	\$6,750	\$6,950	\$7,100	\$7,350	\$7,550
11C226 (ADMIN-Vehicle Purchases)					
1. Administration vehicles	28,000	29,000			
Annual Totals	\$28,000	\$29,000	\$0	\$0	\$0
12B113 (WWTC-Emergency/Safety Eqpt)					
1. Arc Flash Study					20,000
Annual Totals	\$0	\$0	\$0	\$0	\$20,000
12B124 (WWTC-Contract Services)					
1.DRSCW membership/stream restoration	204,300	205,100	27,300	28,100	29,000
Annual Totals	\$204,300	\$205,100	\$27,300	\$28,100	\$29,000
12B130 (WWTC-NPDES Permit Fees)					
1. Annual permit fees	53,000	53,000	53,000	53,000	53,000
Annual Totals	\$53,000	\$53,000	\$53,000	\$53,000	\$53,000
12B131 (WWTC-Sludge Hauling/Disposal Services)					
1. Class B Land Application	135,000	139,750	144,600	149,700	154,900
Annual Totals	\$135,000	\$139,750	\$144,600	\$149,700	\$154,900

DOWNERS GROVE SANITARY DISTRICT
MAJOR REPLACEMENTS AND PURCHASES BY BUDGET CODE
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 2

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
12B500 (WWTC-Eqpt/Eqpt Repair)					
1. Raw sewage pumping					
a. Bar screen back plate replacement				13,000	
b. Compactor overhaul	9,150			9,925	10,275
c. Excess flow pump overhaul	11,650				
d. Discharge valve replacement (installation)	4,000				
e. Protected water expansion tank replacement					1,800
f. Motor Control Center (MCC) replacement				12,000	275,000
2. Grit removal system					
a. Conveyor overhaul	29,000				32,900
b. Grit classifier overhaul			16,000		
c. Grit pump overhaul	7,300	7,750	8,000		
d. Grit tank protective lining				80,000	
e. MCC replacement			16,000	390,000	
3. Primary treatment					
a. Scum trough repairs	20,600	21,200			
b. Sludge collector replacement	8,500	8,750	9,000		
c. Sludge collector gear reducer replacement			11,000		
d. Railing, grating and concrete repairs	45,000		40,000		
e. Sludge grinder overhaul				7,500	
f. Sludge pump replacement	45,000				32,900
4. Secondary treatment					
a. Protective coatings - secondary clarifiers	56,000	58,000		45,000	20,000
b. Secondary clarifier main gear reducer				51,000	
c. Secondary clarifier weir replacement			40,000		
d. Hoffman/PD blower rebuild/overhaul	5,250		25,000	25,500	
e. Aeration tank influent gate actuator		8,500			
f. DO probe replacement	15,000				
g. Railing, grating, decking and concrete repairs	48,000	180,000			
h. RAS pump overhaul	22,500				
i. RAS system VFDs	15,000				
j. Fine bubble diffuser replacement				34,000	
k. MCC replacement					20,000
5. Intermediate clarifiers					
a. Protective coatings	48,000	49,000			
b. Railings and concrete repairs	47,850	50,250			
c. Intermediate sludge pump overhaul	8,000	8,300			
6. Sand filters					
a. Waste washwater pump overhaul	5,750	6,000			
b. Filter control panel replacement		10,000	10,500	11,000	
c. Concrete repairs			40,000		
7. Disinfection equipment					
a. Fiberglass tank inspections/repairs	36,000				
b. Fiberglass tank replacement					165,000
c. MCC replacement				11,000	225,000
d. Bisulfite pump replacements	9,300	9,750			
e. Hypochlorite feed pump VFD replacements	2,350	2,450	2,400	2,500	
f. Hypochlorite feed pump replacements			55,750	71,750	14,500
e. Potable water piping/accessories for bulk hypo					
g. Division box concrete slab replacement			30,000		

DOWNERS GROVE SANITARY DISTRICT
MAJOR REPLACEMENTS AND PURCHASES BY BUDGET CODE
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 2

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
8. Excess flow tanks					
a. Clarifier scum trough replacement	20,000				
b. Clarifier scraper blade/roller wheel replacements			20,000		
c. Sludge collector replacement	8,150	8,450	8,750	9,050	
d. Protective Coatings - Bridge			80,000		
e. Railings and sidewalk		100,000			
f. Overhaul sludge grinder	12,500				
g. Overhaul sludge pumps	8,500	8,750			
h. MCC replacement		10,000	225,000		
9. Sludge concentration					
a. Concentrator main gear reducers		25,000	25,750		
b. Concentrator protective coatings			40,000		
c. Concentrator sludge pump replacement		15,000		16,000	
d. WAS thickener feed pump replacement		15,000			
e. WAS thickener screw and bushing replacement	14,250				
f. TWAS pump replacement			15,500		
10. Sludge digestion					
a. Re-coat/repair covers	14,000				
b. Digester cleaning		165,000	167,000	173,000	179,500
c. Railings	20,000	31,000	15,500	15,500	
e. Replace Digester 2 mixing equipment			250,000		
f. Digester mixing compressor overhaul		8,750		9,500	9,800
g. Sludge recirculation/transfer pump overhaul	4,900	5,050			
g. Grease grinder overhaul	5,250	5,500			
h. Grease pump replacement		15,000	15,500		
11. Sludge dewatering system					
a. Belt press feed pump replacement			13,750	14,250	
b. Belt press conveyor liner replacement			12,000		
12. Biosolids aging and disposal					
a. Wheel loader replacement		85,000		125,000	
c. Auger rebuilds	16,000	16,000	16,000	16,000	16,000
d. Dump truck replacement	206,000				125,000
e. Curtiss lagoon drain system repairs	30,000				
13. Maintenance/utilities					
a. Maintenance Services Building equipment	12,400	10,500	10,350		
b. Replace portable pump			9,500		
c. Main switchgear maintenance				14,000	
d. ComEd ATO replacement	95,000				
e. CHP Engine/Generator overhaul	203,500	165,600	45,750	282,000	46,600
f. Emergency generator control panel replacement			125,000		
g. Emergency generator diesel tank replacement			322,000		
h. Radio enhancement for first responders	110,000				
i. SCADA PLC Upgrades	88,000	120,000			
j. SCADA software platform replacement	77,000				
k. Software Upgrades (MP2, BioWin)	3,450	40,000			
l. Yard piping repairs	43,900	45,450	47,050	48,700	50,400
ii. Natural gas main replacement			225,000		
m. Main gate replacement					40,000
Annual Totals	\$1,492,000	\$1,315,000	\$1,993,050	\$1,487,175	\$1,264,675

DOWNERS GROVE SANITARY DISTRICT
MAJOR REPLACEMENTS AND PURCHASES BY BUDGET CODE
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 2

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
12B800 (WWTC-Building & Grounds)					
1. Roof repairs	64,350	55,000	9,500	26,000	
2. Road / sidewalk repair	97,050	34,130	42,200	42,810	43,440
3. Window / door replacement	62,250	70,250	54,500	36,700	15,750
4. HVAC repairs	27,750	57,250			4,500
a. Munters dehumidifier replacement			200,000		
5. Outside stairs, railings, gratings, and fencing	6,950	7,200	7,450	7,700	8,000
6. Interior stairs				32,000	
7. Tuckpointing	25,000	25,000	20,000	20,000	20,000
8. Painting		35,000	15,000	65,000	111,750
9. Lighting	1,600				
10. Locker room partitions	12,000				
11. Ops center blower room mitigation	160,000				
Annual Totals	\$456,950	\$283,830	\$348,650	\$230,210	\$203,440
12C226 (WWTC-Vehicle Purchases)					
1. Operations supervisor truck					30,000
2. Maintenance supervisor truck			35,000		
3. Electric cart			19,000		
4. OPS/Maintenance/Electrical trucks	5,000	74,250			50,000
5. Lift station truck	99,750				
Annual Totals	\$104,750	\$74,250	\$54,000	\$0	\$80,000
13B115 (LAB-Eqpt/Eqpt Repair)					
1. Autosampler replacement			15,000		
2. Autoclave			15,000		
3. Incubators					
4. pH/Mult-function Meter					6,000
5. TSS Drying Oven				5,000	
6. Amtax/Phosphax/Filtrax Service Partnership	39,000			42,000	
7. Balances					15,000
Annual Totals	\$39,000	\$0	\$30,000	\$47,000	\$21,000
13B124 (LAB-Contract Services)					
1. Update Pretreatment Program	32,100				
2. Permit zero-dischargers, food processing, breweries	27,500	11,500			
Annual Totals	\$59,600	\$11,500	\$0	\$0	\$0
13C226 (LAB-Vehicle Purchase)					
1. Lab Supervisor vehicle					
2. Lab van		56,000			
Annual Totals	\$0	\$56,000	\$0	\$0	\$0
14B115 (SEWER SYSTEM-Eqpt/Eqpt Repair)					
1. Maintenance management software replacement		50,000			
2. House service inspection camera system/monitor				17,500	
Annual Totals	\$0	\$50,000	\$0	\$17,500	\$0
14B124 (SEWER SYSTEM-Contract Services)					
1. Contract Televising	105,000	105,000	105,000	105,000	105,000
Annual Totals	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000

DOWNERS GROVE SANITARY DISTRICT
MAJOR REPLACEMENTS AND PURCHASES BY BUDGET CODE
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 2

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
14B900 (SEWER SYSTEM-System Repairs)					
1. Structural/O&M					
a. Main sewers	75,000	75,000	75,000	75,000	75,000
b. Manholes	50,000	50,000	50,000	50,000	50,000
c. Building sanitary services	675,000	675,000	675,000	675,000	675,000
2. Sewer replacements and rehabilitation					
a. Sewer rehab/replacement	913,500	850,000	1,350,000	1,350,000	1,350,000
3. I/I Program	100,000	100,000	100,000	100,000	100,000
4. Outfall pipe rehabilitation and repair/O&M	1,060,000	525,000	25,000	25,000	25,000
5. IEPA ARRA loan repayment	181,600	181,600	181,600	181,600	181,600
Annual Totals	\$3,055,100	\$2,456,600	\$2,456,600	\$2,456,600	\$2,456,600
14C226 (SEWER SYSTEM-Vehicle Purchases)					
1. Inspection/technician vans/trucks	48,500	40,000		100,000	
2. Supervisor truck	66,000				
3. Combination vacuum/jet truck					180,000
4. TV truck			330,000		
Annual Totals	\$114,500	\$40,000	\$330,000	\$100,000	\$180,000
15B113 (LIFT STATIONS-Emergency/Safety Eqpt)					
1. Arc Flash Study					15,000
Annual Totals	\$0	\$0	\$0	\$0	\$15,000
15B124 (LIFT STATIONS-Contract Services)					
1. College LS Replacement Study		21,000			
Annual Totals	\$0	\$21,000	\$0	\$0	\$0
15B500 (LIFT STATIONS-Eqpt/Eqpt Repair)					
1. Butterfield lift station					
a. Pump overhaul	3,900	4,050			
2. Centex lift station					
3. College lift station					
a. Pump overhaul	17,500			19,500	
4. Earlston lift station					
a. Replace pump	28,000				
b. Pump overhaul					31,000
5. Hobson lift station					
a. Pump overhaul	11,000	11,500	12,000	12,500	
c. Motor replacement		45,000			
d. Switchgear PM			8,700		
e. ATO replacement	85,000				
f. Mixing system compressor replacement					9,450
6. Liberty Park lift station					
a. Pump overhaul			12,500	13,000	13,500
7. Northwest lift station					
a. Pump overhaul			21,700	11,500	11,400
b. VFD replacement	5,350	5,550			
8. Venard lift station					
a. Pump overhaul	11,675	12,100	12,550		

DOWNERS GROVE SANITARY DISTRICT
MAJOR REPLACEMENTS AND PURCHASES BY BUDGET CODE
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 2

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
9. Wroble lift station					
a. Pump overhaul	5,300	5,500			
b. VFD replacement	7,500				
10. General maintenance					
a. Portable pump replacements		30,000			
b. Portable pump overhaul			8,000	8,300	
Annual Totals	\$175,225	\$113,700	\$75,450	\$64,800	\$65,350
15B800 (LIFT STATIONS-Building & Grounds)					
1. Cathodic protection testing			2,750		
2. Painting	47,000		35,350	25,000	4,000
3. Earlston biofilter replacement	20,750				
4. Wroble elevator overhaul					24,750
5. Roof replacements		30,750			
6. Stairs, railings, gratings repair	20,000	4,000			
7. College drainage improvements	5,000				
8. Wroble fence replacement				20,000	
9. Ultrasonic testing	19,150				
Annual Totals	\$111,900	\$34,750	\$38,100	\$45,000	\$28,750
IMPROVEMENT FUND					
1. Future special assessments		200,000	200,000	200,000	200,000
2. IEPA loan repayment	93,200	93,200	93,200	93,200	93,200
3. Replace portion of Venard LS forcemain	845,000				
4. Replace portion of Wroble LS forcemain	26,000	366,000			
5. Replace Butterfield LS		150,000	1,545,000		
6. Replace College LS				170,000	1,640,000
Annual Totals	\$964,200	\$809,200	\$1,838,200	\$463,200	\$1,933,200
CONSTRUCTION FUND					
1. IEPA loan repayment	28,900	28,900	28,900	28,900	28,900
2. Gas detection and alarming systems	444,000				
3. Digester gas safety equipment	335,000	164,000			
4. Biosolids processing/storage improvements	447,500	927,500			
5. Chemical feed system - phosphorus removal		139,000	834,000	417,000	
Annual Totals	\$1,255,400	\$1,259,400	\$862,900	\$445,900	\$28,900
GRAND TOTALS	\$8,699,400	\$7,227,030	\$8,393,950	\$5,730,535	\$6,676,365

GENERAL CORPORATE FUND REVENUES

Summary

General Corporate Fund revenues are detailed on the last page of Exhibit 1. Actual revenues for the last five years and budgeted revenues for the next five years are presented in this exhibit. Revenues are adequate to fund the expenditure levels recommended in this plan. Per the District's Fund Balance/Net Assets Policy, the fund balance is held near 25% of annual expenses. Due to growing expenses associated with aging infrastructure, code improvements and recent high inflation rates, the expenses for the next three years are projected to outpace the revenue, causing the fund balance to drop below the target of 25% of annual expenses. Rate and fee increases are proposed to bring the fund balance back up above the target of 25% of annual expenses by the end of the five-year plan.

Analysis by Revenue Type

The District's annual residential charge for wastewater collection and treatment includes user charges, the monthly service charge and the real estate tax levy for sewer rehabilitation, as detailed in Exhibit 3.

I. User Receipts

This plan reflects an increase in the user rate from \$2.25 to \$2.75 per 1,000 gallons of metered water consumption in FY 2024-25. User rate increases are anticipated for each of the subsequent four years at \$0.50 as shown in Exhibit 1 and Exhibit 3. User receipts during FY 2023-24 are projected at \$4,010,500. This estimate of billable flow compares with recent experience as indicated below:

<u>Fiscal Year</u>	<u>Net Billable Flow (MGD)</u>	<u>Summer Usage Adjustments (\$)</u>
2003-04	6.601	83,400
2004-05	6.333	96,616
2005-06	6.645	296,891
2006-07	6.236	125,215
2007-08	6.223	183,910
2008-09	5.893	112,621
2009-10	5.913	110,369
2010-11	5.753	112,363
2011-12	5.633	107,538
2012-13	5.768	251,934
2013-14	5.537	109,116
2014-15	5.242	60,919
2015-16	5.257	68,643
2016-17	5.243	82,814
2017-18	5.291	139,711
2018-19	5.121	94,995
2019-20	4.960	76,759
2020-21	4.992	187,250
2021-22	5.067	160,930
2022-23	4.948	158,671
2023-24	4.881*	191,578

*Projected for final three months

The downward trend in billable flow reversed in FY 2020-21, likely due to customers being at home more during the COVID pandemic, and then started again in FY 2022-23. The summer usage adjustments also appear to have been impacted in FY 2020-21 by the COVID pandemic, likely by customers who were at home more than in a normal year having more time to focus on their lawns. FY 2024-25 projections of user receipts are based on a billable flow of 4.783 MGD, which represents a billable flow 2.0% less than the FY 2023-24 levels. Water supply utilities' efforts at reducing water consumption are expected to continue to result in future reductions in billable flow. After FY 2024-25, this plan reflects a 2.0% per year reduction in billable flow consistent with target reductions established by water supply utilities, corroborated by historic trends.

II. Surcharges

Surcharge rates for discharges in excess of normal domestic waste strengths (200 mg/l BOD and 250 mg/l TSS) are proposed to increase for an average surcharge customer by 17% in FY 2024-25 and approximately 10% annually thereafter. These increases will gradually bring the per pound cost of treating BOD and TSS closer to the per pound costs that non-surcharge customers pay.

III. Monthly Service Fees

Monthly fees are proposed to remain at \$20.00 in FY 2024-25. The monthly fee is expected to increase by \$1.00 in FY 2025-26 and FY 2026-27 with no increase expected in FY 2027-28 or FY 2028-29.

IV. Plan Review Fees

Plan review fees are assessed based upon the estimated construction cost of proposed sanitary sewer extensions. These fees are not expected to change over the next few years.

V. Construction Inspection Fees

Construction inspection fees represent the cost of inspections by District personnel of sanitary sewer extensions. These fees are not expected to change over the next five years.

VI. Permit Inspection Fees

The cost of inspections by District personnel of service connections and new building construction is recovered from permit inspection fees. The number of inspections is expected to remain constant.

VII. Interest

Interest is estimated based on investing half the average fund balance each year at an interest rate of roughly 3% over the five-year period.

VIII. Sampling and Monitoring Charges

Sampling and monitoring charges are assessed to all users subject to surcharge or pretreatment to recover the costs to sample and analyze wastewater from these users and are projected to increase as the cost to provide these services increases.

IX. Real Estate Taxes

The real estate tax levy is included in the General Corporate Fund and is utilized for the operation, maintenance and repair of sewerage facilities. It is proposed that these levies be increased by 5% each year. The amount of future levies is limited in accordance with the tax cap limitation, reflected in budgeted increases of 3% each year over the 5-year planning period.

X. Television Inspection Fees

Television inspection fees are assessed to developers for the costs of televising new sewers prior to the expiration of the one-year warranty period.

XI. Replacement Taxes

Personal property replacement taxes received from the state, estimated at \$120,000 per year for FY 2024-25 and projected to continue at this level, will be used to fund sewer system repairs.

XII. Lease Payments

During FY 1996-97, the District signed a lease with the Village of Downers Grove for District property located on Walnut Avenue, adjacent to the Village's public works facility. The lease agreement provides for lease payments by the Village to the District.

XIII. Miscellaneous

Miscellaneous revenues include revenues from levying and collecting special assessments, fees to administer recapture agreements, and costs received for other District services. Historically sale of miscellaneous property was coded to miscellaneous revenue. A sale of property revenue code was created in FY 2021-22, and therefore sale of property will no longer be included in miscellaneous revenue, which is why miscellaneous revenues will be budgeted lower than what has historically been collected. These revenues are estimated at \$4,000 each year.

XIV. Sale of Electricity

Electricity produced by the CHP engines in excess of what is used at the WWTC flows onto ComEd's distribution system. The excess generation is credited on the District's ComEd invoices, offsetting distribution expenses. ComEd will pay the District for any additional credit above what offsets the distribution expenses. Historically, this

was applied against the expense code for WWTC electricity. In FY 2021-22, the District's auditors recommended that revenue not be applied to expense codes as it is not a good accounting practice and any check received since has been applied to the sale of electricity code. Starting in FY 2024-25, the portion of the electricity sales which offsets the distribution expenses will also be coded to the sale of electricity. This is reflected in the increase budgeted for the sale of electricity.

XV. Sale of Property

Historically, sales of vehicles and cell phones were applied against the related expense code for the items being replaced. In FY 2021-22, the District's auditors recommended that revenue not be applied to expense codes as it is not a good accounting practice. The sale of property revenue code was created as a result. Sale of vehicles except those that are traded in, sale of cell phones and sale of miscellaneous property are included in this revenue source. The anticipated revenues vary from year to year, following the proposed vehicle and cell phone replacements.

XVI. Grease Waste

Hauled restaurant grease trap waste continues to be accepted for treatment at the WWTC. The amount of grease waste accepted in FY 2020-21 was reduced due to only one CHP unit being in operation and also due to limitations on the amount of gas which can be flared. The new CHP unit was placed into operation at the end of FY 2020-21. As a result, the District increased the amount of grease waste that is accepted. This is reflected in the revenue collected for FY 2021-22 and FY 2022-23. The fee collected for this waste was increased by 20% in FY 2023-24 after having been constant for over a decade. The expected increase in revenue was not realized, however, as the accepted amount of grease was reduced during digester cleaning and CHP equipment maintenance and eliminated on the weekends. An increase in fees is proposed for FY 2024-25. However, the total revenue collected from grease haulers is not increased in the budget as District staff needs the flexibility to reduce the amount of grease accepted when necessary for operations and maintenance.

XVII. Interfund Transfer

As mentioned in the discussions herein on the Construction Fund and the Improvement Fund, the historic source of revenue for those two funds will not be sufficient to meet the needs of those funds. Annual transfers from the General Corporate Fund to cover shortages in the Construction Fund and the Improvement Fund began in FY 2021-22. The District's auditor instructed District staff to handle these transfers as negative revenue under the General Corporate Fund. Interfund transfers of \$1,150,000 are planned annually during the five-year period.

XVIII. Renewable Energy Credits

Renewable energy credits can be sold as they are generated by the new CHP equipment. The budget reflects anticipated market pricing and production.

XIX. Grants and Incentives

The grants and incentives revenue code was created under the General Corporate Fund in FY 2021-22. The FY 2023-24 projected actual includes an anticipated \$1,080,000 in Community Grant Funding for the Curtiss St lining project and \$509,881 from the DuPage County LARPA grant program which is proposed to be used for the outfall repair project.

GENERAL CORPORATE FUND
FUND BALANCE

Summary

The projected fund balance of the consolidated General Corporate and Replacement Fund as of April 20, 2025 is \$3,850,395. The fund balance is projected to be spent down over the next three years causing the fund balance to drop below the target of 25% of annual expenses identified in the District's Fund Balance/Net Assets Policy. With the proposed rate and fee increases, the fund balance will return to above 25% of total annual expenditures by the end of the five-year plan. Projected fund balance levels are presented on the last page of Exhibit 1.

DOWNERS GROVE SANITARY DISTRICT
ANNUAL RESIDENTIAL CHARGES FOR WASTEWATER COLLECTION AND TREATMENT SERVICES

EXHIBIT 3

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Actual	FY 24-25 Budgeted	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
USER CHARGES										
RATE PER 1000 GALS	\$1.70	\$1.80	\$1.95	\$2.05	\$2.25	\$2.75	\$3.25	\$3.75	\$4.25	\$4.75
AVERAGE ANNUAL USAGE	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000
ANNUAL USER CHARGES	\$163.20	\$172.80	\$187.20	\$196.80	\$216.00	\$264.00	\$312.00	\$360.00	\$408.00	\$456.00
PROPERTY TAXES										
YEAR TAXES PAID	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
MEDIAN ASSESSED VALUE	\$95,680	\$101,120	\$104,575	\$106,940	\$109,290	\$112,569	\$115,946	\$119,424	\$123,007	\$126,697
DISTRICT TAX RATE	0.0398	0.0406	0.0400	0.0393	0.0403	0.0403	0.0403	0.0403	0.0403	0.0403
ANNUAL TAXES PAID	\$38.08	\$41.05	\$41.83	\$42.03	\$44.04	\$45.37	\$46.73	\$48.13	\$49.57	\$51.06
MONTHLY SERVICE FEE										
MONTHLY SERVICE FEE	\$17.00	\$17.00	\$17.00	\$19.00	\$20.00	\$20.00	\$21.00	\$22.00	\$22.00	\$22.00
ANNUAL SERVICE FEE	\$204.00	\$204.00	\$204.00	\$228.00	\$240.00	\$240.00	\$252.00	\$264.00	\$264.00	\$264.00
TOTAL ANNUAL COST	\$405.28	\$417.85	\$433.03	\$466.83	\$500.04	\$549.37	\$610.73	\$672.13	\$721.57	\$771.06
TOTAL MONTHLY COST	\$33.77	\$34.82	\$36.09	\$38.90	\$41.67	\$45.78	\$50.89	\$56.01	\$60.13	\$64.25
ANNUAL PERCENT CHANGE	4.4%	3.1%	3.6%	7.8%	7.1%	9.9%	11.2%	10.1%	7.4%	6.9%
TEN YEAR AVERAGE ANNUAL PERCENT CHANGE	3.2%	3.4%	3.7%	4.3%	4.7%	5.3%	6.1%	6.5%	6.8%	7.1%

DOWNERS GROVE SANITARY DISTRICT
FIVE YEAR FINANCIAL PLAN
CONSTRUCTION FUND
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 4

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
REVENUES											
Sewer permit fees	\$237,232	\$259,377	\$359,857	\$205,716	\$250,000	\$130,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Interest	9,114	1,564	869	18,362	17,700	28,400	23,100	14,250	8,300	8,350	14,700
Interfund transfer (from General Corporate Fund)							400,000	400,000	400,000	400,000	400,000
ICECF Grant	500,000										
Total Revenues	\$746,346	\$260,941	\$360,726	\$224,078	\$267,700	\$158,400	\$673,100	\$664,250	\$658,300	\$658,350	\$664,700
EXPENSES											
IEPA loan repayment	\$28,807	\$28,807	\$28,807	\$28,807	\$28,900	\$28,807	\$28,900	\$28,900	\$28,900	\$28,900	\$28,900
Gas detection and alarming systems					419,000	40,000	444,000				
Digester gas safety equipment							335,000	164,000			
Biosolids processing/storage improvements					997,500	50,000	447,500	927,500			
Chemical feed system - phosphorus removal								139,000	834,000	417,000	
Total Expenses	\$28,807	\$28,807	\$28,807	\$28,807	\$1,445,400	\$118,807	\$1,255,400	\$1,259,400	\$862,900	\$445,900	\$28,900
Excess (Deficiency) of Revenues over Expenses	\$717,539	\$232,134	\$331,919	\$195,271	(\$1,177,700)	\$39,593	(\$582,300)	(\$595,150)	(\$204,600)	\$212,450	\$635,800
Ending Fund Balance	\$1,032,909	\$1,265,043	\$1,596,962	\$1,792,233	\$614,533	\$1,831,826	\$1,249,526	\$654,376	\$449,776	\$662,226	\$1,298,026

CONSTRUCTION FUND

Summary

The Construction Fund is intended to provide funds for improvements and expansions to the WWTC. The primary source of revenue to the Construction Fund, sewer permit fees, is directly related to development activity within the District. As development proceeds, sewer permit fees are generated and accumulated to construct WWTC facilities. As of December 31, 2023, there are 35,822 population equivalents of hydraulic capacity remaining on the WWTC. It is not anticipated that the next incremental expansion in capacity, from 11.0 MGD to 12.0 MGD, will be needed during the next five years. Permit fees are projected to continue at historic average levels over the 5-year plan. The plan includes safety and biosolids handling improvements at the WWTC as well as installation of chemical feed systems for phosphorus removal. The plan shows annual transfers from the General Corporate Fund to the Construction Fund starting in FY 2024-25 to ensure sufficient funds are available to complete the above-mentioned projects. The plan for the Construction Fund also envisions the continued accumulation of funds for future improvements, expansions or property acquisition adjacent to the WWTC if such property becomes available for purchase.

Revenues

1. Sewer permit fees – While collected sewer permit fees for FY 2023-24 were low, these fees are expected to remain at \$250,000 per year on average.
2. Interest – Interest is estimated based on half of the average fund balance each year being invested at an interest rate of 3.0%.
3. Transfers from the General Corporate Fund – Transfers from the General Corporate Fund are planned annually starting in FY 2024-25. The transfers are proposed to reimburse the Construction Fund for planned expenditures which are shown in Exhibit 4 and discussed below. The proposed transfers are insufficient to restore the fund balance completely by the end of the five-year plan. While the amount of the annual fund transfers will be re-evaluated annually, the need for them is expected to continue for many years in order to address the WWTC needs on the list of projects found at the end of this document which are not included in the five-year plan.

Expenses

1. IEPA loan repayment – Repayments to IEPA associated with ARRA-funded treatment plant projects being repaid from this fund are expected to be \$28,900 per year until the loan principal is fully repaid in 2031.
2. Safety improvements associated with hazards typically found in the wastewater treatment facility were recommended in the Baxter & Woodman code review report which was completed in FY 2022-23. Gas detection and alarming systems for the bar screen building and the digester control buildings were designed in FY 2023-24 and will be installed in FY 2024-25. The addition of digester gas safety equipment and replacement of the waste gas burners are proposed to start in FY 2024-25 and be finished in FY 2025-26.

3. Biosolids processing/storage improvements are proposed starting in FY 2024-25 and finishing in FY 2025-26.
4. A chemical feed system for the addition of phosphorus reducing chemicals is shown to be designed in FY 2025-26 and constructed in FY 2026-27 and FY 2027-28. This is currently a requirement within the WWTC's NPDES permit. It should be noted that this NPDES permit requirement is expected to be modified before construction starts. The Nutrient Implementation Plan which was submitted to the Illinois Environmental Protection Agency by the DuPage River Salt Creek Workgroup (DRSCW) in December 2023 recommended implementation of phosphorus removal be delayed. The tradeoff is that the District would continue to contribute through 2035 to special assessments for restoration projects in the streams and then install facilities to meet a lower phosphorus limit than currently shown in the NPDES permit with startup occurring in 2038 and the limit effective in 2040.

Fund Balance

The projected Construction Fund balance by April 30, 2025, is expected to be \$1,249,526, which is an anticipated decrease in fund balance of \$582,300 across the fiscal year. Annual interfund transfers are planned to offset expenses and bring the balance up to \$1,298,026 by April 30, 2029, as depicted in Exhibit 4. This balance will be reserved for future improvements and expansions to the WWTC.

DOWNERS GROVE SANITARY DISTRICT
FIVE YEAR FINANCIAL PLAN
IMPROVEMENT FUND
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 5

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 23-24 Projected Actual	FY 24-25 Budget	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
REVENUES											
Trunk and lateral sewer service charges	\$57,500	\$107,112	\$130,885	\$133,200	\$90,000	\$20,800	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Interest	24,628	7,373	1,279	17,135	4,700	15,500	15,400	16,400	12,400	10,900	8,650
Repayments											
Special assessment vouchers								200,000	200,000	200,000	200,000
Interfund transfer (from General Corporate Fund)			275,000	500,000	800,000	800,000	750,000	750,000	750,000	750,000	750,000
Total Revenues	\$82,128	\$114,485	\$407,164	\$650,336	\$894,700	\$836,300	\$855,400	\$1,056,400	\$1,052,400	\$1,050,900	\$1,048,650
EXPENSES											
Unsewered areas											
Planning	\$11,370	\$900	\$119	\$0	\$500	\$0	\$500	\$500	\$500	\$500	\$500
Special assessments								200,000	200,000	200,000	200,000
Lift station improvements											
Centex replacement		39,346	134,071	444,597	304,400	1,042,191					
Venard forcemain partial replacement				7,814	850,000	25,000	845,000				
Wroble forcemain partial replacement							26,000	366,000			
Butterfield replacement								150,000	1,545,000		
College replacement										170,000	1,640,000
IEPA Loan Repayment	93,191	93,191	93,191	93,191	93,200	93,191	93,200	93,200	93,200	93,200	93,200
Total Expenses	\$104,561	\$133,437	\$227,381	\$545,602	\$1,248,100	\$1,160,382	\$964,700	\$809,700	\$1,838,700	\$463,700	\$1,933,700
Excess (Deficiency) of Revenues over Expenses	(\$22,433)	(\$18,952)	\$179,784	\$104,734	(\$353,400)	(\$324,082)	(\$109,300)	\$246,700	(\$786,300)	\$587,200	(\$885,050)
Ending Fund Balance	\$1,139,196	\$1,120,244	\$1,300,027	\$1,404,761	\$1,051,361	\$1,080,679	\$971,379	\$1,218,079	\$431,779	\$1,018,979	\$133,929

IMPROVEMENT FUND

Summary

The Improvement Fund is intended to be utilized for sewer system and lift station expansions and improvements. The historic source of revenue for this fund, trunk and lateral sewer service charges, is projected to continue at average levels over the 5-year plan. As development proceeds, charges are generated and accumulated to construct additional system capacity and improvements, as needed. The unsewered area plan does not currently identify any specific capacity needs to serve remaining unsewered areas in the facility planning area. I/I removal generally provides the most cost-effective way of creating system capacity where needed. The plan includes replacements of lift stations and force mains over the next five years. Historically, the plan for the Improvement Fund envisioned the gradual accumulation of funds for future improvements or expansions. The lift station needs, however, are greater than the current revenue to the Improvement Fund can sustain. The plan shows annual transfers from the General Corporate Fund to the Improvement Fund, which started in FY 2021-22, to ensure sufficient funds are available to complete the above-mentioned projects and future sewer system and lift station projects.

Revenues

1. Trunk and lateral sewer service charges – These charges are projected at \$90,000 annually for the five-year period. Trunk and lateral sewer service charges vary from year to year. While the estimated amount collected in FY 2023-24 is much lower than budgeted, the five year average still remains at \$90,000.
2. Interest – Interest is estimated based on half of the average fund balance each year being invested at an interest rate of 3.0%.
3. Annual repayments from special assessments – These amounts represent reimbursements from special assessment projects for costs advanced by the improvement fund.
4. Transfers from the General Corporate Fund – Annual transfers from the General Corporate Fund were started in FY 2021-22. Transfers of \$750,000 per year are planned across the five-year plan. This is an increase above the \$550,000 per year that was shown in the previous five-year plan. The increase was needed to pay for the lift station replacements. The lift stations which are proposed for replacement are in poor to fair condition. The Butterfield Lift Station replacement project was moved forward a year. The College Lift Station was not in the previous five-year plan.

Expenses

1. Planning for unsewered areas – The unsewered area plan depicting the locations of proposed sanitary sewers in currently unsewered areas within the District's facility planning area was prepared in FY 2006-07. Historically, this was updated annually. The reduction in unsewered area planning expenses shown in Exhibit 5 between FY 2019-20 and FY 2020-21 reflects shifting the unsewered area plan updates from the District's engineering consultant to District staff. In addition, the District's Sewer Construction staff, who use the plan, have decided that annual updates are not necessary.

2. Special assessments in unsewered areas – The improvement fund advances funds to approved special assessment projects and is then reimbursed by the issuance of vouchers for each special assessment project. Exhibit 5 anticipates limited potential future Special Assessment project activity starting in FY 2025-26.
3. IEPA Loan Repayment – Repayments to IEPA associated with ARRA-funded collection system projects being repaid from this fund are expected to be \$93,200 per year until the loan principal is fully repaid in 2031.
4. Venard Lift Station Force Main Replacement – The budget includes anticipated costs associated with replacing the parallel Venard Lift Station force mains. The older of the two force mains had two breaks in 2020 and one break in 2022. The newer force main had a break in 2021. The design was completed in FY 2022-23 and FY 2023-24, and construction is planned for FY 2024-25.
5. Wroble Lift Station Force Main Replacement – The budget includes anticipated costs associated with replacing a portion of the Wroble Lift Station force main that has had multiple breaks. Design is planned for FY 2024-25, and construction is planned for FY 2025-26.
6. Butterfield Lift Station Replacement – The budget includes anticipated costs associated with replacing the Butterfield Lift Station as it reaches the end of its useful service life. Design is planned for FY 2025-26, and construction is planned for FY 2026-27.
7. College Lift Station Replacement – The budget includes anticipated costs associated with replacing the College Lift Station as it reaches the end of its useful service life. Design is planned for FY 2027-28, and construction is planned for FY 2028-29.

Fund Balance

The balance in the improvement fund is projected to be \$133,929 on April 30, 2029. Future expenses for sewer extensions into unsewered areas will be determined based upon the maintenance of an adequate balance in this fund.

DOWNERS GROVE SANITARY DISTRICT
FIVE YEAR FINANCIAL PLAN
PUBLIC BENEFIT FUND
FISCAL YEARS 2024-25 TO 2028-29

EXHIBIT 6

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Budget	FY 22-23 Projected Actual	FY 24-25 Budget	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
REVENUES											
Interest	\$856	\$480	\$13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$856	\$480	\$13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EXPENSES											
Sewer deepening	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess (Deficiency) of Revenues over Expenses	\$856	\$480	\$13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$37,325	\$37,805	\$37,818	\$37,818	\$37,818	\$37,818	\$37,818	\$37,818	\$37,818	\$37,818	\$37,818

PUBLIC BENEFIT FUND

Summary

The Public Benefit Fund may only be used to pay for the portion of sewer extensions or sewer special assessments which the Board of Trustees deems to be of benefit to an area larger than the immediate service area. The projected balance in this fund as of April 30, 2024, is \$37,818.

Revenues

In 2021, money market interest rates had fallen so significantly that the interest earned by Fund 03 investments could not justify staff's bookkeeping expenses. In July of 2021, the District Treasurer transferred the Fund 03 money markets funds to Fund 01 money market funds and the same amount from Fund 01 cash to Fund 03 cash. This essentially reclassified the Fund 03 investment funds to cash. No revenue is shown in the five-year plan.

Expenses

There are no planned expenses over the duration of the five-year plan.

Fund Balance

The remaining fund balance at the end of FY 2028-29, projected to be \$37,818, will be available to fund improvements with public benefit.

When this fund is depleted, the tax cap limitation would prevent the District from adopting a tax levy for public benefit without decreasing the general corporate levy for sewer system repairs by an identical amount. As funding of any future public benefit expenditures may be made from the Improvement or General Corporate Funds, it would not be necessary to continue the Public Benefit Fund.

PROJECTS NOT INCLUDED IN THE PLAN

There are several major projects which have not been included in this financial plan. As these projects may be incorporated into the plan in a future update, they are listed below for reference.

I. WWTC

A. Improvements/Enhancements

1. Capacity expansion from 11.0 MGD to 12.0 MGD and from 12.0 MGD to 15.0 MGD, as needed.
2. Aeration tank feed flow splitter.
3. Nitrogen removal processes.
4. Secondary clarifier feed flow splitter.
5. Additional sludge drying beds.
6. Increase paved area for sludge treatment and storage, included a covered storage area.
7. Composting facility.
8. Improved odor control facilities.
9. Outfall 003 excess flow treatment optimization improvements

B. Replacements

1. Influent bar screens.
2. Raw sewage pumps nos. 1 - 5.
3. Excess clarifier sludge scraping equipment.
4. OSEC generator (consider UV disinfection).
5. Motor control centers.
6. Digester covers.

II. SEWER SYSTEM

- A. Replacement of all portable flow meters (near term).
- B. Permanent flow metering network (long term).
- C. Purchase of sewer grouting equipment.
- D. Garage sized and designed specifically for sewer system program needs.
- E. Replacement or rehabilitation of aging sewers.

III. LIFT STATIONS

- A. Install odor control equipment at the Butterfield, Centex, College, Liberty Park, Northwest, Venard and Wroble lift stations.
- B. Second NWLS force main crossing under I-355.

IV. ADMINISTRATION

- A. Relocate office to WWTC site.