

2021 Budget Water/Sewer Operation & Maintenance Fund Overview

September 2020



2020-2024 (5 Year) Water and Sewer Approved Rate Increases*

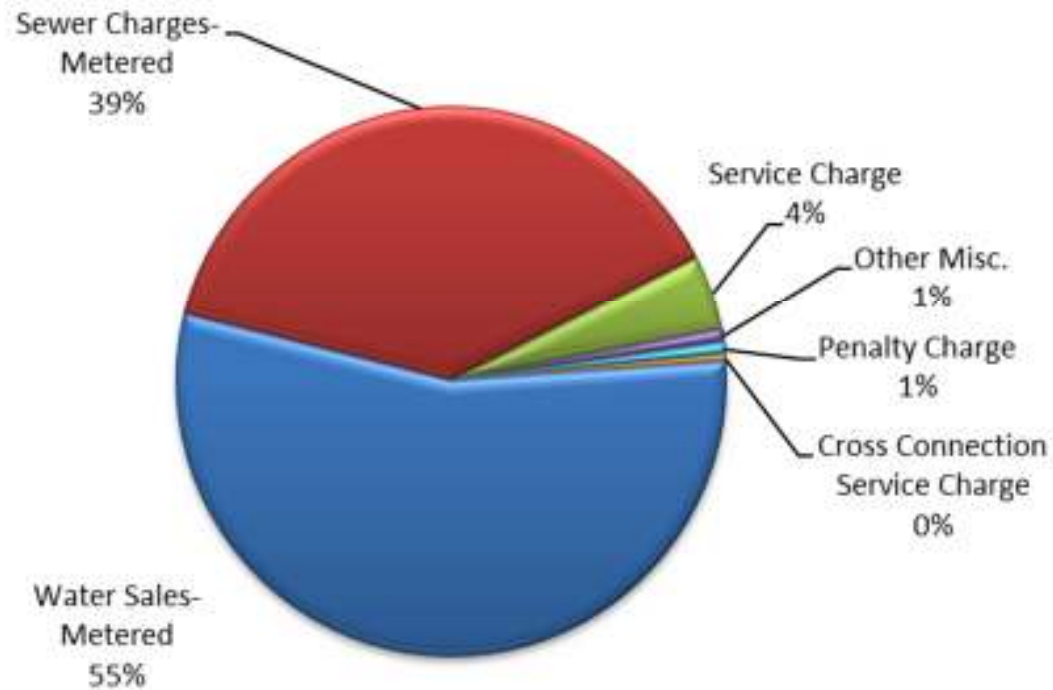
	FYE 2020*	FYE 2021	FYE 2022	FYE 2023	FYE 2024
WATER & SEWER O&M	Budget	Projection	Projection	Projection	Projection
Projected Annual Water & Sewer Rate Increases					
for Operations	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
for Capital	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Amount/1000 gallons	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Variable Rates					
Water O&M	\$8.04	\$8.24	\$8.44	\$8.64	\$8.84
Sewer O&M	\$5.96	\$6.06	\$6.16	\$6.26	\$6.36
Capital	\$1.30	\$1.40	\$1.50	\$1.60	\$1.70
Total Water & Sewer Variable Rate	\$15.30	\$15.70	\$16.10	\$16.50	\$16.90
Percentage Increase	2.68%	2.61%	2.55%	2.48%	2.42%
Fixed Rates					
Service Charge (per bill)*	\$5.05	\$5.05	\$5.05	\$5.05	\$5.05
Capital Charge (per bill)*	\$5.00	\$5.25	\$5.50	\$5.75	\$6.00
Total Water & Sewer Fixed Rate	\$10.05	\$10.30	\$10.55	\$10.80	\$11.05
Percentage Increase		2.49%	2.43%	2.37%	2.31%
Cross Connection Charge (per bill)*	\$4.50	\$4.65	\$4.80	\$4.95	\$5.10
Percentage Increase		3.33%	3.23%	3.13%	3.03%
*FY 2020 monthly billing; prior to 2020 bi-monthly					

*Based on results from the 2019 Water & Sewer Rate Study. Staff will continue to review annually and recommend rate adjustments as needed.

2021 W&S O&M Revenue Assumptions

Description	2019 Actual Amount	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 20 Budget	% Over/Under 20 Budget	Assumptions/Comments
Water Sales-Metered	\$9,033,881	\$9,463,720	\$9,463,720	\$9,701,730	\$238,010	2.51%	Revenue for FY21 is based upon selling 1.190 bgal of water @ \$8.24/kgal. Based on the Water Rate Study a \$0.20 per 1,000 gals increase on January 1, 2021 was approved.
Sewer Charges-Metered	\$6,389,923	\$6,698,950	\$6,698,950	\$6,811,280	\$112,330	1.68%	Revenue for FY21 is based upon billing 1.123 bgal of sewer @ \$6.06/kgal. Based on the Water Rate Study, \$0.10 per 1,000 gals increase on January 1, 2021 was approved.
Service Charge	\$782,622	\$785,620	\$785,620	\$785,620	\$0	0.00%	Based on the Water Rate Study, there will be no increase on January 1, 2021. Therefore, the monthly service charge per bill is \$5.05.
Penalty Charge	\$128,273	\$134,280	\$30,000	\$128,270	(\$6,010)	-4.48%	The FY21 budget is based on FY19 actual. Collections can vary from year to year if a few large bills are not paid on time. Penalties in 2020 were not charged due to COVID-19.
Cross Connection Service Charge	\$59,361	\$62,010	\$61,140	\$62,970	\$960	1.55%	The FY21 budget is based on FY20 projected revenue. A increase of \$0.15/month is needed to cover the cost to administer the mandated EPA program. The total monthly cross connection charge per bill would be \$4.65.

Top 5 Water/Sewer O&M Fund Revenues



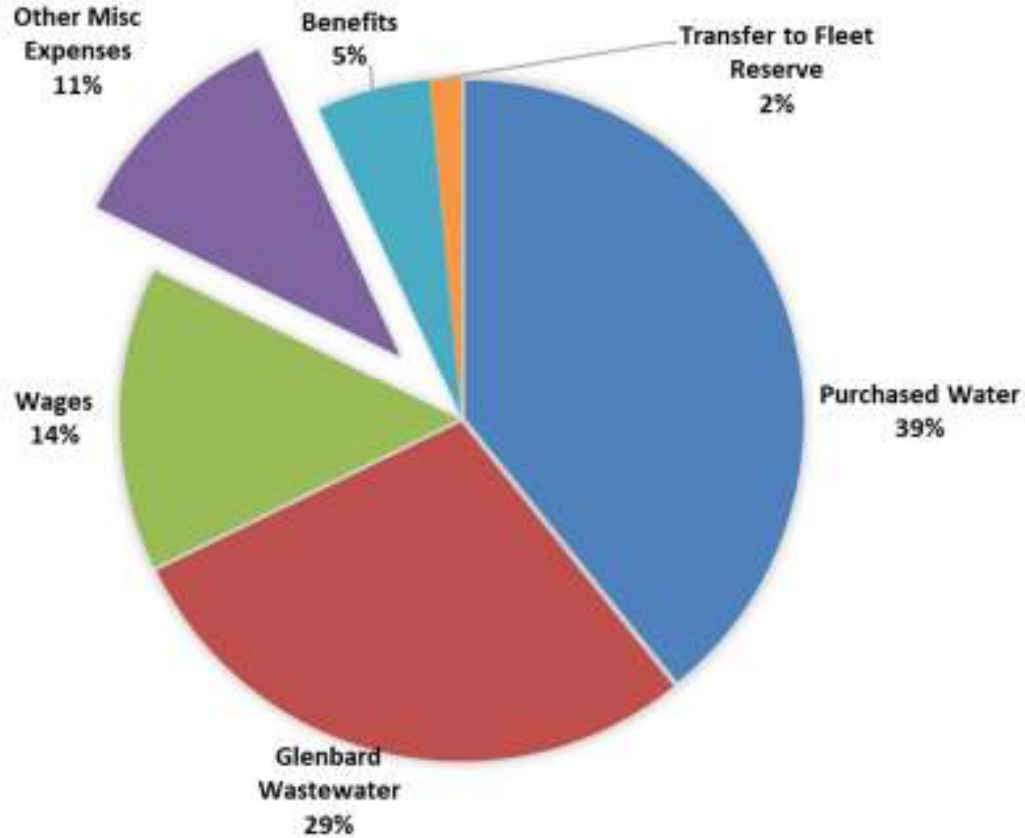
Description	2019 Actual Amount	2020 Amended Budget	2020 Estimated Amount	2021 Budgeted Revenues	\$ Over/Under 20 Budget	% Over/Under 20 Budget
Top 5 W/S O&M Revenues	\$16,394,060	\$17,144,580	\$17,039,430	\$17,489,870	\$345,290	2.01%
Total W/S O&M Revenue	\$16,605,046	\$17,314,070	\$17,173,320	\$17,630,270	\$316,200	1.83%
Top 5 vs. Total W/S O&M Revenue	98.73%	99.02%	99.22%	99.20%	N/A	N/A

The Top 5 revenue sources total 99.20% of all Water/Sewer O&M Fund revenues.

2021 W&S O&M Expense Assumptions

	FY19 Actual	FY20 Amended Budget	FY20 Estimated	FY21 Proposed Budget	\$ Over/Under 20 Budget	% Over/Under 20 Budget	Assumptions/Comments
Purchased Water	\$6,525,881	\$6,744,080	\$6,744,080	\$6,909,800	\$165,720	2.46%	Based on FY19 Actual Expense and DWC increased their rate 2.45% for FY 20-21.
Glenbard Wastewater	\$4,640,742	\$4,761,000	\$4,840,000	\$5,040,000	\$279,000	5.86%	Increase is based on FY19 Actual Expense and the 2020 GWA Budget. Increase is 8.60% compared to 2019 Actual expense.
Wages	\$2,479,645	\$2,447,560	\$2,482,940	\$2,554,320	\$106,760	4.36%	Wages include salaries and estimated increases. Increases are in accordance with the AFSCME contract.
Benefits	\$904,859	\$973,450	\$962,730	\$950,040	(\$23,410)	-2.40%	The IMRF rate decreased from 15.61% in 2020 to 14.25% in 2021.
Transfer to Fleet Reserve	\$287,532	\$361,050	\$361,050	\$264,770	(\$96,280)	-26.67%	Projection is based on anticipated vehicle purchases.

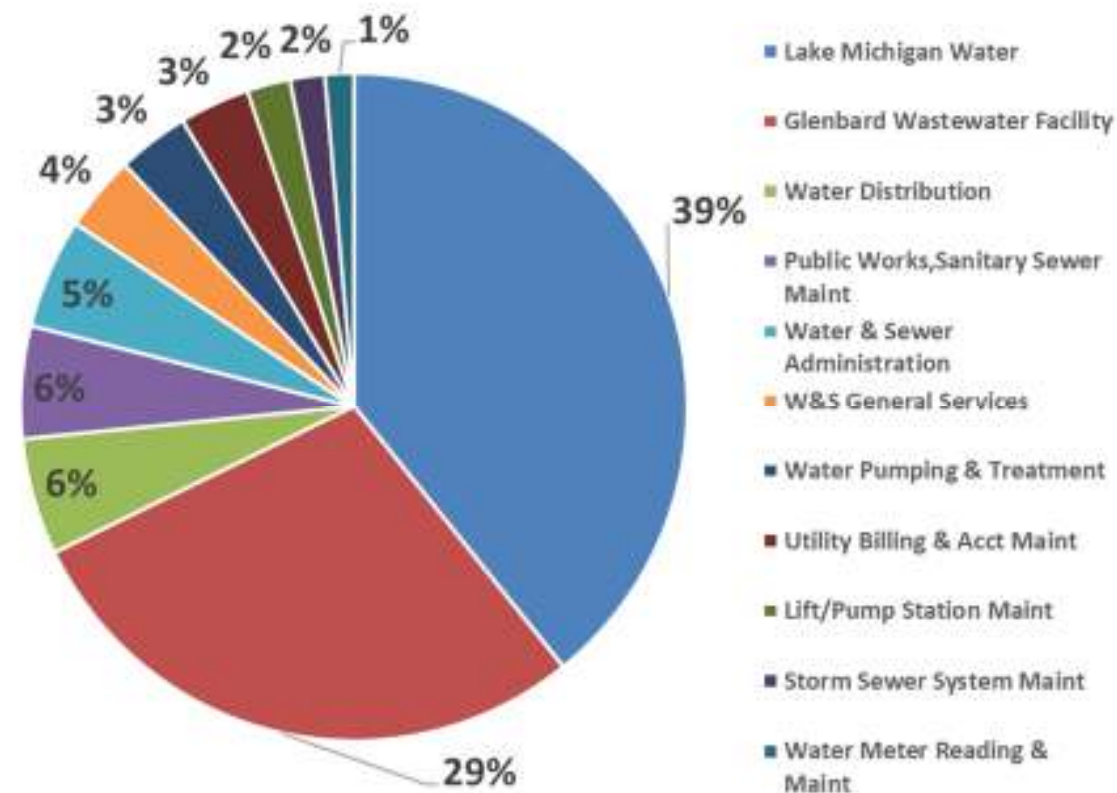
TOP 5 W&S O&M EXPENSES



	FY19 Actual	FY20 Amended Budget	FY20 Estimated	FY21 Proposed Budget	\$ Over/Under 20 Budget	% Over/Under 20 Budget
Top 5 Expenses	\$14,838,658	\$15,287,140	\$15,390,800	\$15,718,930	\$431,790	2.82%
Total W&S Maint Fund	\$16,528,992	\$17,151,220	\$17,157,770	\$17,627,032	\$475,812	2.77%
Top 5 vs. Total W/S O&M Exp	89.77%	89.13%	89.70%	89.18%	N/A	N/A

The top 5 expenses make up 89.18% of the total expenses in the Water/Sewer O&M Fund.

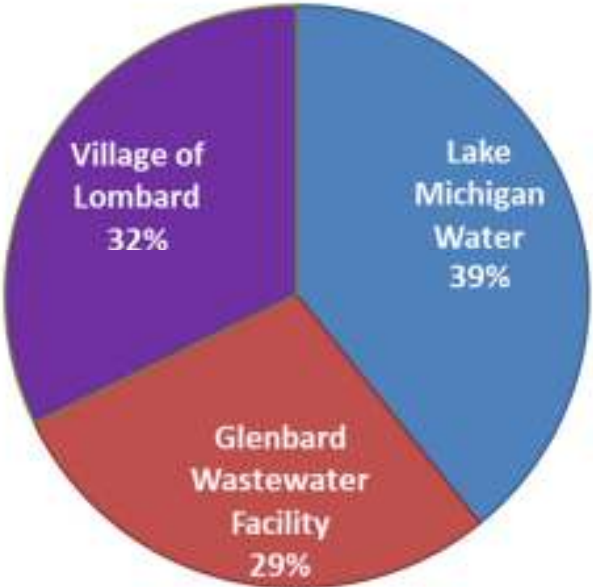
Water/Sewer O&M Fund Proposed 2021 Budget by Cost Center



67.79% of the FY 2021 proposed expenses in the W&S Fund are payments to DuPage Water Commission and Glenbard Wastewater Facility for the purchase and delivery of Chicago water and the processing of wastewater.

2021 Water & Sewer Revenue Allocation per 1,000/gals

Where Does My Money Go?



- The FY 2021 Proposed Water & Sewer Variable Rate is \$15.70 per 1,000 gallons.
- The Village of Lombard would receive \$5.06 per 1,000 gallons for operating and maintenance activities and capital improvements.
- Note: This does not include the monthly fixed capital fee and service charge per bill.

Distribution of the Water & Sewer Revenue \$15.70/per 1000 gals		
Lake Michigan Water	\$	6.15
Glenbard Wastewater Facility	\$	4.49
Village of Lombard	\$	5.06
Total	\$	15.70