

APPROVED

COUNCIL OF THE WHOLE MEETING NEW LENOX BOARD OF TRUSTEES

New Lenox Village Hall,
One Veterans Parkway
Monday, August 17, 2015

#15-21

CALL TO ORDER

The Council of the Whole Meeting of the New Lenox Village Board of Trustees was called to order at 7:02 p.m. by Mayor Baldermann in the Council Chambers of the New Lenox Village Hall.

ROLL CALL

Upon Roll Call by the Clerk, the following members of the corporate authorities answered "Here" or "Present":

Trustees Smith, Butterfield, Johnson, Bowden and Mayor Baldermann

The following were absent:

Trustee Madsen

QUORUM

There being a sufficient number of members of the corporate authorities in attendance to constitute a quorum, the meeting was declared in order.

OTHER OFFICIALS IN ATTENDANCE

Also in attendance were Village Administrator Kurt Carroll, Village Clerk Laura Ruhl, Village Engineer Will Nash, Finance Director Kim Auchstetter, Building and Zoning Administrator Warren Rendleman, Community Development Director/Assistant Administrator Robin Ellis, Director of Public Works Brian Williams, Police Chief Bob Sterba and Attorney Chris Michael Stiff

DISCUSSION ITEMS

Discussion of Sewer Rates

John Cameron, Municipal Advisor of Ehlers, who performed a sewer rate study for New Lenox gave a PowerPoint presentation to the Board.

The purpose of the study is to:

1. Make sure the sewer rates are sufficient to meet all of the financial obligations of the sewer fund.
2. To develop user rates sufficient to meet future debt service payments for the upcoming approximate \$20 million IEPA loan for the WWTP#2 upgrade.
3. Establish saving mechanism for the future WWTP#3 upgrades and WWTP#1 upgrades/rebuild.

4. To ensure user rates are fair and equitable to all customer classes.

Mr. Cameron stated the sewer fund has historically relied upon growth and new development, sewer tap-on fee to assist in capital outlay as well as our annual debt service payment associated with the fund. With the decline in the housing market and revenues from tap-on fees, the sewer fund has been using fund balances within the debt service fund and tap-on fee fund to assist in paying annual debt service payments and capital outlay expenses. As the Village gets ready for the capital improvement projects like WWTP#2 the IEPA loan program requires that the Village to have revenues sufficient to meet our current obligations and be ready to take on the IEPA loan debt. Mr. Cameron went over the historical background in terms of finances. The billable sewer flows have been declining in all customer classes over the last couple of years. Mr. Cameron went over the study of the capital improvement plan for the sewer fund over the next four fiscal years. He concluded with the FY2015-2016 recommended user rates. There are two components, Debt/Capital Charge and a Volumetric Rate per 1,000 gallons. They recommend the Debt/Capital charge go from \$7.00 to \$11.19 per months and the Volumetric Rate is at \$5.01 per thousand be increased to \$7.87 per thousand. This would put the Village in a position to catch up and also put us in a position to take on future projects with the WWTP's. He went over a summary cash flow forecast for the next five years. The study recommends adopting the proposed user rates as shown in Fiscal Year 2015-16, which allows you to move forward with securing the IEPA Loan for Treatment Facility #2, and recommends an 8% sewer rate increases in FY 2016 and 2017 and then 5% rate increase in 2019 and 4% rate increase in 2020.

Mayor Baldermann stated the original proposal brought in just enough money to cover the bonds we will need for WWTP#2. Our water rates are not as high as some of the other towns that don't have what we have. He said the one group of people we hear from the most is our seniors when it comes to water. Mayor Baldermann proposed we freeze the sewer debt rate for seniors to \$7.00 and keep the first thousand gallons of consumption the same as it is now. If they barely use any water they will see no increase for the first year. This will take about \$100,000 out of the equation but by doing what we are doing now we will have a little over a million to cover bonds plus another \$350K-400K to pay cash for other issues that come up. We are addressing the needs of the entire community and we are freezing rates for seniors, 65yrs and older, that use limited water. If the senior uses 2,000 gallons they will see the increase.

Trustee Smith expressed his concerns with the increase during these times.

Mayor Baldermann explained that some of the funds that were earmarked for addressing these needs paid for the Village Hall, which was a decision made years ago. Mayor Baldermann stated the money we will raise by raising the rates will give us cash on hand so we don't have to bond so we can fix WWTP#'s 1 and 3.

Trustee Smith asked if we raise these rates, in 10 years can we fix WWTP#1 the way it should be without going out for a bond. We have to bond no matter what.

Mr. Carroll went on to discuss the maintenance needed on WWTP#2 to bring it up to today's standards.

Mayor Baldermann explained we are bonding for WWTP#2 and not any further. The additional funds that come by setting the rates gives us cash on hand for work that has to be on WWTP#'s 1 and 3.

Trustee Smith said WWTP#1 needs a lot of work, not sure about WWTP#3, we will not have enough capital on hand at these rates. We will have to bond anyway.

Mr. Carroll stated it depends on the growth. We are working off a surplus of the impact fees capital. A few years ago we had over 1,100 homes that we had the capital from the tap-on fees, we are down to 550-600 homes. There are some new subdivisions coming in and we are starting to get the capital. So there is the potential that the new sewer rate increase and the new capital from the growth can fund this WWTP's going forward.

Mayor Baldermann said if we don't incur the sewer increase and just bond enough to take care of WWTP#2 we not addressing needs at WWTP#'s 1 and 3 at all.

Mr. Cameron stated the tap-on fees have always historically been a significant source of revenue within the sewer fund.

The Board went on to discuss the current growth.

Trustee Smith stated he has concerns with the increase

Mayor Baldermann asked Trustee Smith if he is suggesting to not do anything with WWTP#'s 1 and 3 and just bond the minimum for WWTP#2 when the time comes to do something with WWTP#'s 1 and 3 then bond.

Trustee Smith stated no, he has an issue with the drastic increase. He would rather see a smooth increase across the Board continually over the next five or six years.

Mr. Cameron explained we have to be in a position to take out the IEPA loan.

Mr. Carroll stated this type of loan is the lowest rate we can get out in the market to do the work on the WWTP's.

Mr. Cameron explained that an IEPA loan comes in one issuance.

Mayor Baldermann said if we only increased enough for the \$20 million it would be a difference on your 4,000-5,000 gallon home of about \$4.00.

Trustee Smith asked why we are dumping \$20 million dollars into WWTP#2.

Mr. Carroll explained we are expanding the capacity of another \$750,000 and we are also having to retrofit the initial plant to upgrade to what it needs to be.

Trustee Smith asked if this needs to be done or can it wait a couple of years.

Mr. Carroll said it needs to be done now.

Mayor Baldermann asked if the \$300,000-\$400,000 a year going into WWTP#1 get us to where we can fix the issues over time or will we need to bond out after so many years for a new WWTP.

Mr. Williams said it all depends on the equipment that needs to be replaced. The money will go a long way into getting the plant where it needs to be. It definitely helps us maintain on an annual basis. We will start slowly replacing some of the equipment that has been there since 1989.

Trustee Smith stated he would rather bond for another \$20 million to fix it and be done with it.

Mayor Baldermann said if we did that the rates would be even higher. If we do nothing to address the current issues and increase the rates to pay for a \$20 million bond. He went on to say we only take what we need and we need this increase. We have a problems with our WWTP's. Mayor Baldermann stated had we not taken the tap-on fees that were paid up front and use them for other purposes, we would be in better shape.

Mr. Carroll said the Staff and the Mayor have been discussing a game plan for the future.

Trustee Bowden stated because of what it is we are discussing, we tend to not realize the importance of the quality of life and this is a part of quality of life. As trivial as it may seem in a lot of ways, this is a need and not a want.

Trustee Johnson said especially if the apartment complex moves forward and with downtown area growth. It makes sense to have cash on hand.

Mayor Baldermann went over the proposed numbers. An average bill might go up approximately \$20.00 which is about \$240.00 annually. The average household is getting back about \$180.00 in property tax rebates, the vehicle stickers were eliminated. After 7-8 years later an average household is paying less, equal or a couple of dollars more because of the decisions the Village Board has made. This community is growing fast and bringing in great development and at the end of the day people are paying the same or less for their services.

Trustee Bowden stated the since she's been on the Board they have always tried to do the right thing for the community.

Mayor Baldermann said at the end of the day our responsibility is to provide service.

The Board concurred.

Ms. Auchstetter stated the sewer debt cap has been at \$7.00 since 1987 when we did our first IEPA loan.

Mr. Cameron said when they do a study they want to put the Village in a position to succeed long-term. The WWTP is the largest asset in the community and every community faces this issue. But because we have to be in a position to demonstrate to the IEPA or the open market that we are in a position to be able to repay the debt annually.

Trustee Smith asked with the structure as it is, and we want to build another WWTP in ten years will be have to raise the rates again.

Mr. Carroll said we have to see when our existing debt comes off the books. We would also have to look at our structure is for impact fees.

Mr. Cameron stated this study/plan put the Village in a position to succeed long-term and to be in a position to put cash towards a major project.

Mayor Baldermann said we have always provided the best services for our community. Mayor Baldermann explained as long as one of the homeowners is 65yrs or older they will get the senior rate.

The Board concurred with the sewer rate increase.

Discussion of Christmas Lights

Derek Knollwood, President of Artistic Holiday Designs and representing Groupe Leblanc, presented the Village Board with a PowerPoint presentation regarding holiday lighting in the Village Commons.

The Board had a discussed storage of the Christmas lighting and the labor. Mr. Knollwood stated this product will last relative to how it's taken care of with a warrantee of three years.

Trustee Bowden stated she think the lights are too much for the Village Commons. She asked if we can pick and choose which of the light's we wanted.

Mayor Baldermann stated the lights could be up for 6-7 weeks with the concession stand open on the weekends and possibly put in an ice arena and really make the Commons a place where people come from all over. Mayor Baldermann said we can choose whatever we like.

Trustee Smith commented on the timing of the presentation.

Mayor Baldermann explained it was two separate funds.

Trustee Bowden once again commented on the amount of lighting. It loses the quaintness. She wants it to be attractive and festive. Are there certain pieces we don't need?

Mayor Baldermann said it looks tasteful, Trustee Johnson agreed. The Board can pick what we want and add more in the future if the Board agreed.

Mr. Knollwood said when putting together the presentation he had in mind to make the New Lenox Commons a destination and this design is unique to New Lenox.

Mayor Baldermann said if we are not looking to showcase the Commons we can scale back on the decorations. If this is something the Board agrees on we can always add in the coming years. Do we want to decorate the Commons for New Lenox residents or do

we want people from all over to come to the Commons. It's not wrong either way it's what the Board decides.

At this time there was a discussion of the installation and the impact on the Public Works Department.

Mayor Baldermann asked the Board if they want to move forward with the Christmas lighting.

Trustee Smith stated as or right now, no.

Trustee Bowden would like to find out more about how much in-house man power would be needed for the installation and if we didn't do the install in-house what would the price be.

Mayor Baldermann asked Mr. Knollwood what the cost would be if Artistic Designs did all of the work except for the Santa.

Mr. Knollwood stated approximately \$27,000 with a possible increase in storage.

Mayor Baldermann commented on the timing of the funds for the Christmas lighting in the Commons and the sewer rate increase.

Trustee Butterfield said too much money.

Trustee Bowden supports this idea. She went on to say this promotes the Village and no matter what we have to raise the sewer rates.

Trustee Johnson supports this.

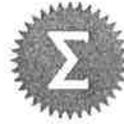
Mayor Baldermann said with two members of the Board having concerns we will not move forward at this time.

ADJOURNMENT

Motion to Adjourn the Meeting made by Trustee Smith and seconded by Trustee Bowden. Upon voice vote, the motion carried recording Trustee Madsen as ABSENT. The Council of the Whole Meeting of the Village of New Lenox Board of Trustees held on August 17, 2015 was adjourned at 9:05 p.m.



Laura Ruhl, Village Clerk



EHLERS
LEADERS IN PUBLIC FINANCE

August 4th, 2015

Sewer User Rate Study

Village of New Lenox, Illinois

ACTION REQUIRED: # 4A
AGENDA NO. 15-21
DATE 8/17/15

the
Village of New Lenox
"Home of Proud Americans"

Prepared by:

Jon Cameron
Municipal Advisor

John Miller
Municipal Advisor



the
Village of New Lenox
"Home of Proud Americans"

Village of New Lenox
Sewer Rate Study
Supporting Worksheets

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Table 1
Comparison of Sewer Utility Historical Operating Income and Cash Flow
Village of New Lenox

	Actual 2012-13	Actual 2013-14	Estimated 2014-15
<u>Analysis of Operating Income ¹</u>			
<u>Revenues</u>			
User Rates	\$2,752,973	\$2,788,841	\$2,940,000
Sewer Penalty	\$55,728	\$53,183	\$51,800
Debt/Cap	\$723,956	\$735,930	\$748,000
Total Operating Revenues	\$3,532,657	\$3,577,954	\$3,739,800
<u>Tap-On Fee Revenues Applied to Sewer Fund</u>			
Tap-On Fees to 2005/2014B Debt	\$90,175	\$0	\$89,424
Tap-On Fees to Capital Outlay	\$905,031	\$2,023,291	\$522,242
Total Tap On Fees	\$995,206	\$2,023,291	\$611,666
<u>Expenses</u>			
<u>Operating and Maintenance</u>			
Sewer Administration ²	\$2,381,199	\$914,375	\$1,086,685
Sewer Treatment		\$1,601,471	\$1,711,323
Sewer Collection		\$315,340	\$319,785
Sewer Regulation		\$68,356	\$38,745
WWTP Replacement/Repair	\$165,776	\$0	\$0
Subtotal Operating and Maintenance	\$2,546,975	\$2,899,542	\$3,156,538
<u>Debt Expense</u>			
Total Principal and Interest ³	\$814,429	\$851,358	\$924,708
Sewer Improvement/Cap Outlay	\$905,301	\$1,269,502	\$522,242
Transfer to Sewer Capital Replacement	\$152,031	\$0	\$0
Transfer to WWTP#2 Expansion	\$0	\$753,789	\$0
Net cash flow	\$109,127	(\$172,946)	(\$252,022)

Notes:

1. Source: Comprehensive Annual Budget Report for Fiscal Year 2014-15 and DRAFT Comprehensive Annual Budget Report for Fiscal Year 2015-16.
2. The Village changed to a program budget in Fiscal Year 2013-14. Prior to that all sewer fund costs were within the Sewer Administration portion of the sewer fund budget. The amount shown for sewer administration is net of transfers to the debt service fund and capital replacement.
3. Debt Service payments assigned to the sewer fund.

Table 3
2015-16 Projected Sewer Utility Flows and Customers
Village of New Lenox

Customer Class	Customers ¹	Volume (000 Gal)	Percent of Total
Misc. Commerical	191	35,390	6%
Churches	10	676	0%
Restaurants	27	15,140	3%
Governmental	44	2,501	0%
Hospital	1	21,083	4%
Industrial	116	11,153	2%
Laundromat/Car Wash	4	2,342	0%
Multi-Residential	102	16,731	3%
Professional Office	19	5,064	1%
Residential	8,330	433,632	76%
Schools	20	25,333	4%
Township	237	37	0%
Total	9,101	569,081	100%
Total Billable Flow/Cust	9,101	569,081	

Notes:

1. Represents the number of customers subject to the debt/cap charge within the Village. Assumes an additional 150 residential customers added during the 2015-16 test year.

Table 4
2015-16 Sewer Fund Capital Budget
Village of New Lenox

	<u>2015-16</u> <u>Budget ¹</u>
Sewer Capital Improvement/Capital Outlay	
Generator - Tri Star	\$15,000
I&I	\$100,000
Lift Station K-Mart Upgrade	\$34,000
Route 30 Slip Line Asbestos Line	\$205,000
Route 30 Under I-80 Force Main	\$102,000
WWTP #1, #2, #3 Improvements as needed	\$50,000
WWTP #1 SCADA Upgdrade	\$50,000
WWTP Improvements/Expansion ²	\$9,465,000
<u>Subtotal</u>	<u>\$10,021,000</u>
<u>Transfers</u>	
4952 To Equipment Replacement	\$145,427
4972 To WWTP #2 Expansion ³	\$1,105,019
4985 To 2014B/2005 G.O. Bonds	\$82,275
4968 To G.O. Debt Service (Sewer Admin budget)	\$1,200,000
<u>Subtotal</u>	<u>\$2,532,721</u>
Less Sewer Tap-On Fees (2014B/2005 Bonds)	(\$82,275)
Less Sewer Tap-On Fees (Capital Outlay)	(\$701,427)
 Total Capital Improvement/Outlay Revenue Req	 \$2,305,019

Notes:

1. Source: Village of New Lenox Draft 2015-16 Budget for Sewer Fund.

2. Estimated to be financed with an IEPA loan over 20-years at 2.11% interest.

3. The annual debt service payment for an \$18,930,000 IEPA loan for the expansion of WWTP #2 at 2.11% interest. The Village has budgeted \$9,465,000 in FY 2015-16 and \$9,465,000 in FY 2016-17.

Table 5
2015-16 Sewer Fund Operating and Maintenance Costs
Village of New Lenox

	<u>2015-16</u> <u>Budget</u>
Operation and Maintenance	
<u>Sewer Administration</u>	
<u>Personal Services</u>	
4101 Salaries: Full Time	\$116,700
4102 Salaries: Part Time	\$13,000
4105 Overtime Pay	\$4,000
4107 Personnel Shared Administrative Cost	\$625,000
4203 Pension Contribution-IMRF/FICA	\$27,364
4204 Workman's Compensation	\$47,250
4207 Medical & Life Insurance	\$23,478
Subtotal	<u>\$856,792</u>
 <u>Commodities</u>	
4310 General Office Supplies	\$4,000
4311 Postage	\$21,000
4330 Vehicle Fuel & Oil	\$1,500
4333 Operating Supplies	\$0
4334 Chemicals & Supplies	\$0
4335 Printing Supplies	\$15,000
4354 Vehicle Supplies & Equipment	\$500
Subtotal	<u>\$42,000</u>
 <u>Contractual Services</u>	
4403 Administrative Cost	\$625
4405 Physical Exams/Inoculations	\$1,660
4420 Telephone Services	\$10,000
4427 Education & Training	\$6,167
4445 Repairs: Vehicle & Equipment	\$1,000
4447 Maintenance Contracts	\$6,600
4454 Equipment Services	\$13,000
4481 Professional Memberships	\$955
4482 Self Insurance Pool	\$120,000
4494 Lawn Maintenance	\$0
Subtotal	<u>\$160,007</u>
 <u>Transfers</u>	
4910 To General	\$89,572
Subtotal	<u>\$89,572</u>
 Total Sewer Administration	 \$1,148,371
 <u>Sewer Treatment</u>	
<u>Personal Services</u>	
4101 Salaries: Full-Time	\$545,376
4102 Salaries: Part-Time	\$44,000
4105 Overtime Pay	\$50,000
4203 Pension Contribution-IMRF/FICA	\$131,000
4207 Medical & Life Insurance	\$144,673

Table 5
2015-16 Sewer Fund Operating and Maintenance Costs
Village of New Lenox

	<u>2015-16</u> <u>Budget</u>
Subtotal	\$915,049
<u>Commodities</u>	
4315 Forms, Books & Manuals	\$300
1330 Vehicle Fuel & Oil	\$10,000
4333 Operation Supplies	\$10,500
4334 Chemicals & Supplies	\$157,000
4354 Vehicle Supplies & Equipment	\$6,000
4360 Minor Equipment & Tools	\$7,225
4362 Safety Gear & Uniforms	\$9,403
4365 Communication Supplies	\$200
4373 Repair Material: STP	\$60,000
4377 Rock, Sand & Soil	\$3,500
4381 Paint & Supplies	\$5,000
Subtotal	\$269,128
<u>Contractual Services</u>	
4409 Laboratory Testing	\$10,000
4426 Meeting & Expense Allowance	\$100
4430 Legal Advertising	\$100
4444 Electric & Gas	\$380,000
4445 Repairs: Vehicle & Equipment	\$3,000
4446 Repairs: Building & Facilities	\$10,000
4447 Maintenance Contracts	\$7,075
4454 Equipment Services	\$9,000
4461 Machinery & Equipment Rental	\$900
4464 Repairs: STP Equipment	\$40,000
4465 Sludge Cartage	\$95,000
4486 Refuse Removal	\$15,000
4494 Lawn Maintenance	\$6,373
Subtotal	\$576,548
Total Sewer Treatment	\$1,760,725
<u>Sewer Collection</u>	
<u>Personal Services</u>	
4101 Salaries: Full-Time	\$156,967
4102 Salaries: Part-Time	\$20,000
4105 Overtime Pay	\$15,000
4203 Pension Contribution-IMRF/FICA	\$39,308
4207 Medical & Life Insurance	\$43,295
Subtotal	\$274,570
<u>Commodities</u>	
4315 Forms, Books & Manuals	\$100
4330 Vehicle Fuel & Oil	\$6,000
4333 Operation Supplies	\$1,500
4354 Vehicle Supplies & Equipment	\$6,000

Table 5
2015-16 Sewer Fund Operating and Maintenance Costs
Village of New Lenox

	<u>2015-16</u> <u>Budget</u>
4360 Minor Equipment & Tools	\$1,200
4362 Safety Gear & Uniforms	\$2,500
4365 Communication Supplies	\$150
4371 Repair Material: Coll. System	\$20,000
4381 Paint & Supplies	\$300
Subtotal	\$37,750
 <u>Contractual Services</u>	
4409 Laboratory Testing	\$1,000
4444 Electric & Gas	\$20,000
4445 Repairs: Vehicle & Equipment	\$3,000
4447 Maintenance Contracts	\$7,400
4448 Repairs: Collection System	\$34,000
4454 Equipment Services	\$12,500
4461 Machinery & Equipment Rental	\$100
4466 Land Lease Agreement	\$1,602
4469 JULIE Contract	\$3,000
Subtotal	\$82,602
 Total Sewer Collection	 \$394,922
 <u>Sewer Regulatory</u>	
4101 Salaries: Full-Time	\$19,190
4105 Overtime Pay	\$0
4203 Pension Contribution-IMRF/FICA	\$3,922
4207 Medical & Life Insurance	\$4,696
Subtotal	\$27,808
 <u>Contractual Services</u>	
4409 Laboratory Testing	\$2,500
4431 Hickory Creek Watershed Plan	\$32,680
4476 NPDES Permit Fees	\$27,500
Subtotal	\$62,680
 Total Sewer Regulatory	 \$90,488
 Total Operating and Maintenance	 \$3,394,506

Notes:

1. Source: 2015-16 DRAFT Village of New Lenox Comprehensive Annual Budget for the Sewer Fund.

Table 6
Summary of Allocation of Revenue Requirements to Utility Function
Village of New Lenox

	Total Cost	%	Volume Cost	Capital Charge Cost
Revenue Requirements Operating and Maintenance	\$3,394,506	100%	\$3,394,506	\$0
Transfers to Debt Service	\$2,305,019	47%	\$1,083,359	\$1,221,660
Capital Outlay & Equipment Replacement	\$0	0%	\$0	\$0
Total Revenue Requirements	\$5,699,525	79%	\$4,477,865	\$1,221,660

Table 7
Calculation of Sewer User Rates
Village of New Lenox

Calculation of Debt/Capital Charge

	Cost	Units	Annual Cost per Unit
Debt Service Charge	\$1,221,660	9,101	\$134.23
Capital Outlay Charge	\$0	9,101	\$0.00
Total Debt/Capital Charge			\$134.23

Calculation of Volumetric Rates

	Cost	Billable Units (Gal or lbs)	Rate/Unit
Operating & Maintenance	\$3,394,506	569,081	\$5.965
Debt Service Charge	\$1,083,359	569,081	\$1.904
Capital Outlay		0	\$0.000
Total Volumetric Rate per 1,000 gal			\$7.869

Summary of User Rates

Monthly Debt/Capital Charge	\$11.19
Volumetric Rate Per 1,000 Gallons	\$7.87
Unmetered Rate per Quarter	

**Table 8
Revenue Check
Village of New Lenox**

Debt/Capital Charge

		Annual Debt/ Capital Charge	Revenue
Total Customers	9,101	\$134	\$1,221,660

Volumetric Rates

Customer Class	Volume 000 Gal	Volumetric Rate/000 Gal	Revenue
Total Billable Flow	569,081	\$7.87	\$4,478,671

	Customers	Annual Rate	Revenue
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Unmetered Customers

Total Calculated Revenues			\$5,700,330.90
Revenue Requirement			\$5,699,525.11
Difference			\$805.79

**Table 9
Comparison of Existing to Proposed Sewer User Rates
Village of New Lenox**

Debt/Capital Charge				
	Current Monthly Service Charge	Proposed Monthly Service Charge	Monthly Increase/(Decrease)	Percent Change
	\$7.00	\$11.19	\$4.19	60%
Volumetric Rates				
	Current Rate	Proposed Rate	Increase/(Decrease)	Percent Change
Volumetric Rate Per 1,000 Gallons	\$5.01	\$7.87	\$2.86	57%
Unmetered Rate per Quarter				

**Table 10
Comparison of Existing and Proposed Sewer User Rates For Example Customers
Village of New Lenox**

Customer	Monthly Usage	Meter Size	Current Monthly Sewer Charge	Proposed Monthly Sewer Charge	Percent Change
Residential	1,000	5/8	\$12	\$19	59%
Residential	3,000	5/8	\$22	\$35	58%
Residential	4,583	5/8	\$30	\$47	58%
Residential	5,417	5/8	\$34	\$54	58%
Commercial	12,500	5/8	\$70	\$110	57%
Restaurant	18,500	1	\$100	\$157	57%
Commercial	30,000	2	\$157	\$247	57%
Industrial	125,000	1	\$633	\$995	57%
Industrial	532,500	2	\$2,675	\$4,202	57%
Industrial	687,500	3	\$3,451	\$5,422	57%
Government	37,500	1	\$195	\$306	57%
Schools	67,500	3	\$345	\$542	57%

Table 11
5-Year Capital Improvement Plan ²
Village of New Lenox

Project	Budget 2015-16 ¹	Budget 2016-17	Budget 2017-18	Budget 2018-19	Budget 2019-20	Totals
Upgrade Sanitary Plant #2	\$9,465,000					\$9,465,000
Interceptor Line			\$3,000,000			\$3,000,000
K-Mart Lift Station Upgrade	\$400,000					\$400,000
Route 30 Under I-80 Forcemain	\$1,200,000					\$1,200,000
I&I	\$100,000		\$100,000	\$100,000		\$300,000
UV System Plant #3				\$100,000		\$100,000
Plant #2 and Plant #3 SCADA	\$50,000		\$50,000			\$100,000
Energy Blower Plant #1	\$250,000		\$250,000			\$250,000
Replace Raw Pumps Plant #1	\$50,000		\$50,000			\$50,000
WWTP #2 Clean and Convert Digesters	\$5,000		\$5,000			\$5,000
WWTP #2 Convert Filter Building to SO2 CL2 Building	\$10,000		\$10,000			\$10,000
WWTP #2 Excess Flow Pumps Replacement	\$30,000		\$30,000			\$30,000
Replace Primary Clarifier Pumps				\$16,000		\$16,000
Chlorine SO2 Building	\$15,000					\$15,000
WWTP #2 Burglar Alarm and Fire System	\$5,000					\$5,000
Lagoon Mixers				\$25,000		\$25,000
Baffles				\$10,000		\$10,000
Laraway Road Relief Sewer - Developer Funded					\$3,100,000	\$3,100,000
WWTP #3 Upgrade (865,000 PE)					\$12,750,000	\$12,750,000
Totals	\$11,235,000	\$3,495,000	\$3,495,000	\$251,000	\$15,850,000	\$30,831,000
Source of Funding						
IEPA Loan	\$9,465,000				\$12,750,000	\$22,215,000
GO Bonds	\$1,200,000		\$3,000,000			\$4,200,000
Tap-On Fees	\$570,000		\$495,000	\$251,000		\$1,316,000
Capital Outlay	\$0		\$0	\$0		\$0
Developer Paid					\$3,100,000	\$3,100,000
Total	\$11,235,000	\$3,495,000	\$3,495,000	\$251,000	\$15,850,000	\$30,831,000

Notes:

1. The 2015-16 Capital Improvement Budget is shown on Table 4.
2. Source: Village of New Lenox Capital Improvement 5-Year Budget.

**Table 12
Cash Flow Analysis
Village of New Lenox**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cash Sources																
Sewer Usage	\$ 2,940,000	\$ 4,478,671	\$ 4,861,149	\$ 5,276,291	\$ 5,567,807	\$ 5,819,471	\$ 6,024,026	\$ 6,235,770	\$ 6,392,288	\$ 6,424,250	\$ 6,456,371	\$ 6,488,653	\$ 6,716,729	\$ 6,952,822	\$ 7,197,214	\$ 7,305,552
Debt/Capital	\$ 748,000	\$ 1,221,660	\$ 1,332,587	\$ 1,453,966	\$ 1,541,528	\$ 1,619,221	\$ 1,684,475	\$ 1,752,360	\$ 1,805,281	\$ 1,823,334	\$ 1,841,567	\$ 1,859,983	\$ 1,934,940	\$ 2,012,918	\$ 2,094,039	\$ 2,136,129
Tap-On-Fees Applied to Debt Service ¹	\$ 63,448	\$ 82,209	\$ 83,510	\$ 84,129	\$ 84,710	\$ 84,822	\$ 84,822	\$ 84,822	\$ 84,822	\$ 84,822	\$ 84,822	\$ 84,822	\$ 84,822	\$ 84,822	\$ 84,822	\$ 84,822
Tap-On-Fees Applied to Capital Outlay	\$ 51,800	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730	\$ 55,730
Sewer Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	\$3,803,248	\$6,639,697	\$8,902,976	\$9,364,736	\$9,500,774											
Cash Uses																
Operating and Maintenance	3,156,538	\$3,394,506	\$3,496,341	\$3,601,231	\$3,709,288	\$3,820,546	\$3,935,163	\$4,053,218	\$4,174,814	\$4,300,069	\$4,429,060	\$4,561,932	\$4,698,790	\$4,839,754	\$4,984,847	\$5,134,495
Net before Debt Service	\$646,710	\$3,145,191	\$3,406,635	\$3,763,504	\$3,791,506	\$4,306,864	\$4,965,198	\$5,133,356	\$5,224,516	\$5,164,518	\$5,088,707	\$5,014,927	\$5,078,015	\$5,254,569	\$5,438,403	\$5,442,848
Debt Service																
2011A G.O. Sewer Bonds	439,275	\$431,875	\$424,475	\$412,075	\$404,775	\$397,475	\$419,263	\$630,375	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014B G.O. Refunding Bonds	63,448	\$62,209	\$63,510	\$64,129	\$64,710	\$64,822	\$64,822	\$64,822	\$64,822	\$64,822	\$64,822	\$64,822	\$64,822	\$64,822	\$64,822	\$64,822
2009 G.O. Refunding Bonds	288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889	\$288,889
2012A G.O. Bonds-PW & Police	133,086	\$130,918	\$132,458	\$133,918	\$135,458	\$136,918	\$138,458	\$139,918	\$141,458	\$142,918	\$144,458	\$145,918	\$147,458	\$148,918	\$150,458	\$151,918
2015 IEPA Loan	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019	\$1,105,019
2016 G.O. Bonds @4.0%	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298
2018 G.O. Bonds @4.0%	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298	\$89,298
2020 IEPA Loan Estimated @ 3.5%²	\$924,708	\$2,040,450	\$2,121,109	\$2,327,400	\$2,319,108	\$3,208,460	\$3,228,772	\$3,528,799	\$3,478,263	\$3,405,650	\$3,407,288	\$3,362,952	\$4,042,004	\$4,043,393	\$4,041,783	\$4,041,783
Total Debt Service	0	\$701,427	\$715,526													
Capital Outlay/Equipment Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$0	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314	\$403,314
Net Cash to O&M Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash to Sewer Debt Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating and Maintenance Fund																
Beginning of Year Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additions/Subtractions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
End of Year Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Minimum Recommended O&M Fund Balance ²	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Balance vs. Recommended Bal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Debt Fund																
Beginning of Year Balance	\$1,156,000	\$1,559,314	\$1,559,314	\$1,559,314	\$1,559,314	\$1,559,314	\$2,107,697	\$3,694,124	\$5,045,681	\$6,535,873	\$8,035,529	\$9,454,584	\$10,920,946	\$12,526,906	\$14,263,624	\$15,237,892
Additions/Subtractions	\$403,314	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
End of Year Balance	\$1,559,314	\$1,559,314	\$1,559,314	\$1,559,314	\$1,559,314	\$1,559,314	\$2,107,697	\$3,694,124	\$5,045,681	\$6,535,873	\$8,035,529	\$9,454,584	\$10,920,946	\$12,526,906	\$14,263,624	\$15,237,892
Minimum Recommended Debt Fund Balance ¹	\$2,040,450	\$2,121,109	\$2,327,400	\$2,319,108	\$2,319,108	\$3,208,460	\$3,228,772	\$3,528,799	\$3,478,263	\$3,405,650	\$3,407,288	\$3,362,952	\$4,042,004	\$4,043,393	\$4,041,783	\$4,041,783
Estimated Balance vs. Recommended Bal	(\$481,136)	(\$561,795)	(\$768,086)	(\$759,794)	(\$759,794)	(\$645,352)	(\$645,352)	(\$645,352)	(\$645,352)	(\$645,352)	(\$645,352)	(\$645,352)	(\$645,352)	(\$645,352)	(\$645,352)	(\$645,352)

Notes:
1. Equal to the current year's debt service payment.
2. Equal to 3 months of operating and maintenance expenses in the current fiscal year.

Table 13
Tap-On Fee Cash Flow Analysis
Village of New Lenox

Fiscal Year Ending	2015	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Test Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Sewer Tap On Fees																
Beginning of Year Balance ¹	\$661,000	\$324,226	\$139,916	\$53,448	\$235,031	\$145,201	\$686,469	\$1,305,024	\$2,008,325	\$2,788,860	\$3,663,649	\$4,631,988	\$5,810,456	\$7,097,872	\$8,499,786	
Additions ²	\$446,852	\$469,200	\$492,660	\$517,293	\$543,158	\$1,677,399	\$1,761,269	\$1,849,332	\$1,941,799	\$2,038,889	\$2,140,533	\$2,247,875	\$2,360,268	\$2,478,282	\$2,602,196	
Transfers Out ³	\$783,636	\$653,910	\$979,129	\$335,710	\$632,988	\$1,196,130	\$1,142,714	\$1,146,031	\$1,161,263	\$1,164,099	\$1,172,494	\$1,069,407	\$1,072,853	\$1,076,368	\$1,079,953	
End of Year Balance	\$324,226	\$139,916	\$53,448	\$235,031	\$145,201	\$686,469	\$1,305,024	\$2,008,325	\$2,788,860	\$3,663,649	\$4,631,988	\$5,810,456	\$7,097,872	\$8,499,786	\$10,022,029	

Notes:

1. Source: Village Finance Director, 7/2/15.
2. Assumes 75 new homes per year x \$8,762 per connection (tap-on fee) in Fiscal Year 2015-16 and \$9,200 per connection in Fiscal Year 2016-17 through Fiscal Year 2029-30.
3. Transfers out ties to Table 11, which assumes the tap on fees will cover the debt service payment for the 2014B G.O. Refunding Bonds and the remaining capital outlay planned annually.

Table 14
Existing Debt Assigned to Sewer Fund
Village of New Lenox

2011A Sewer G.O. Bonds

Year	Principal	Interest	Total
2013	355,000	80,384	435,384
2014	350,000	76,275	426,275
2015	340,000	69,275	409,275
2016	330,000	61,875	391,875
2017	320,000	54,475	374,475
2018	305,000	47,075	352,075
2019	295,000	39,675	334,675
2020	285,000	32,275	317,275
2021	275,000	24,875	300,875
2022	265,000	17,475	282,475
2023	255,000	10,075	265,075
2024	245,000	2,675	247,675
2025	235,000	0	235,000
2026	225,000	0	225,000
2027	215,000	0	215,000
2028	205,000	0	205,000
2029	195,000	0	195,000
Total	3,920,000	501,227	4,421,227

2014B G.O. Refunding Bonds- Sewer/ Water
(Sewer @ 12.63%)

Year	Principal	Interest	Total
2013	50,000	40,175	90,175
2014	-	-	0
2015	54,309	9,136	63,445
2016	61,296	20,953	82,249
2017	63,782	19,728	83,510
2018	65,678	18,453	84,129
2019	67,571	17,139	84,710
2020	70,097	15,788	85,884
2021	71,991	14,035	86,026
2022	77,675	11,876	89,550
2023	80,201	9,546	89,746
2024	84,094	7,701	91,795
2025	85,888	5,386	91,274
2026	103,566	2,900	106,466
2027	-	-	0
2028	-	-	0
2029	-	-	0
Total	956,203	192,828	1,149,030

2009 G.O. Refunding Bonds- Sewer/ Water
(Sewer @ 85.04%)

Year	Principal	Interest	Total
2013	-	288,889	288,889
2014	-	288,889	288,889
2015	-	288,889	288,889
2016	-	288,889	288,889
2017	-	288,889	288,889
2018	-	288,889	288,889
2019	-	288,889	288,889
2020	-	288,889	288,889
2021	-	288,889	288,889
2022	85,040	288,889	373,929
2023	687,564	285,700	973,264
2024	608,036	280,333	888,369
2025	633,548	236,620	870,168
2026	629,296	211,278	840,574
2027	1,420,168	185,791	1,605,959
2028	1,478,686	127,564	1,606,250
2029	1,539,224	65,417	1,604,641
Total	7,062,572	4,261,597	11,324,169

2012A G.O. Bonds-PW & Police
(Sewer @ 22%)

Year	Principal	Interest	Total
2013	82,500	53,693	136,193
2014	86,900	46,196	133,096
2015	88,000	44,458	132,458
2016	89,100	41,818	130,918
2017	89,100	39,145	128,245
2018	90,200	36,472	126,672
2019	91,300	33,799	125,099
2020	92,400	31,126	123,526
2021	93,500	28,453	121,953
2022	94,600	25,780	120,380
2023	95,700	23,107	118,807
2024	96,800	20,434	117,234
2025	97,900	17,761	115,661
2026	99,000	15,088	114,088
2027	100,100	12,415	112,515
2028	101,200	9,742	110,942
2029	102,300	7,069	109,369
Total	1,528,080	504,427	2,032,507

Sewer Fund Total

Year	Principal	Interest	Total
2013	405,000	402,429	807,429
2014	432,500	419,856	852,356
2015	511,209	413,499	924,708
2016	519,256	416,175	935,431
2017	522,862	404,910	927,772
2018	519,778	393,562	913,338
2019	522,771	382,275	905,046
2020	526,397	370,918	897,314
2021	529,991	359,561	889,552
2022	533,585	348,204	881,789
2023	537,179	336,847	874,026
2024	540,773	325,490	866,263
2025	544,367	314,133	858,500
2026	547,961	302,776	850,737
2027	551,555	291,419	842,974
2028	555,149	280,062	835,211
2029	558,743	268,705	827,448
Total	13,467,775	5,460,079	18,927,854