

December 16, 2024

Chairman John Pietron and Commissioners  
Morton Grove-Niles Water Commission  
1000 Civic Center Drive  
Niles, Illinois 60714

Honorable Chairman and Commissioners,

I am pleased to present to you for your review and consideration the Annual Budget for FY2025. The expenses shown cover the costs of operations and debt for the period January 1-December 31, 2025. Costs include formula based pricing for all treated water purchased from the City of Evanston so that our Members pay only for costs which we use from infrastructure of the City of Evanston water supply system. With our system development work completed this budget focuses on covering our operating costs including the Commission's annual debt service. I am pleased to report that we are projecting this year that our total costs will again be lower than the corresponding City of Chicago published water rates. Maintaining a lower cost structure and delivering the highest available quality of treated water are the two core goals of the Water Commission and we have met these goals for all of our service years.

The revenue to cover the costs of service are fully covered by the wholesale water charges that are charged quarterly to both of our municipal Members. At the end of the fiscal year service charges are true up so that each Member Village only pays for that portion of the total costs that the Member actually used. There will be two true ups in 2025, one in the first quarter of FY 2025 for prior year charges, and one in the second quarter for FY 2024 audited costs.

The development of the FY25 budget expenses has gone through four development reviews. First we utilized the Commission's long range water projection which

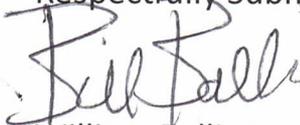
forecasts our water demands and long range costs to operate the system. This was followed by a preliminary assessment of the Water Commission Engineer which was followed by a staff review by the Treasurer, who prepared the overall budget, the Commission Clerk, and myself as your Superintendent. The final review was completed by the Commission Management Committee. I am confident that the Budget presented as presented to you is well thought out and realistic. The revenue forecast for FY25 also went under the same staff review and the budget as presented is balanced and is primarily supported by quarterly payments to the Water Commission from our Members based on prior year actual water pumped to our Members. Quarterly payments are paid in January, April, July, and October

As a follow up to our earlier work with the MG-N-WC Strategic Planning Workshop project recommendations, I do recommend three priorities:

1. Implementation of an emergency water supply with an emphasis on an Aqua Illinois/Village of Glenview water supply
2. Implementation of an enhanced investment strategy for increasing Water Commission required reserves and fund balance earnings without risk to principal
3. Increasing Commission revenues through attracting new customer relationships seeking MG-N-WC partial supply at reduced cost to a new municipal customer.

I wish to thank the staff for their support given to the development and review of the Budget for FY 25 and recommend to the Commissioners endorse and pass this budget as presented.

Respectfully Submitted,



William Balling  
Superintendent

# Morton Grove Niles WATER COMMISSION

GL Number	Description	2024 BOARD ADOPTED	2024 Activity	2025 INITIAL REQUEST	2025 INITIAL REQUEST Amt Change	2025 INITIAL REQUEST % Change
Fund: 75 MORTON GROVE NILES WATER COMMISSION						
Estimated Revenues						
WATER SALES						
75-00-00-40-1010	QUARTERLY MORTON GROVE PAYMENTS	3,859,216.92	3,859,216.92	3,913,978.00	54,761.08	1.42
75-00-00-40-1020	QUARTERLY NILES PAYMENTS	5,558,101.08	5,558,101.08	5,618,359.00	60,257.92	1.08
	WATER SALES	9,417,318.00	9,417,318.00	9,532,337.00	115,019.00	1.22
INTEREST INCOME						
75-00-00-42-8120	INTEREST INCOME	70,000.00	73,986.00	100,000.00	30,000.00	42.86
	INTEREST INCOME	70,000.00	73,986.00	100,000.00	30,000.00	42.86
	Estimated Revenues	9,487,318.00	9,491,304.00	9,632,337.00	145,019.00	1.53
Appropriations						
CONTRACTED MANAGEMENT SERV						
75-00-00-51-2110	SUPERINENDENT	58,000.00	49,502.65	59,740.00	1,740.00	3.00
75-00-00-51-2120	DEPUTY COMMISSION CLERK	15,000.00	8,750.00	15,450.00	450.00	3.00
75-00-00-51-2130	ACCOUNTING	27,295.00	25,020.38	28,114.00	819.00	3.00
75-00-00-51-2140	OUTSIDE SPECIAL COUNSEL	7,000.00	0.00	7,000.00	0.00	0.00
75-00-00-51-2150	IT MANAGEMENT	0.00	0.00	10,500.00	10,500.00	0.00
	CONTRACTED MANAGEMENT SERV	107,295.00	83,273.03	120,804.00	13,509.00	12.59
CONTRACTED OPERATING SERV						
75-00-00-52-2210	OPERATION MANAGEMENT	351,000.00	302,281.47	361,530.00	10,530.00	3.00
75-00-00-52-2220	SCADA MAINTENANCE	4,000.00	4,153.20	20,000.00	16,000.00	400.00
75-00-00-52-2230	IT SYSTEM MAINTENANCE	30,000.00	35,120.60	70,000.00	40,000.00	133.33
75-00-00-52-2240	EQUIPMENT & PROPERTY MAINTENANCE	25,000.00	45,184.68	25,000.00	0.00	0.00
75-00-00-52-2250	CONTRACTED EMERGENCY UNDERGROUND REPAIR	20,000.00	106,823.50	30,000.00	10,000.00	50.00
75-00-00-52-2260	CONTRACTED COMMISSION ENGINEERING SERVIC	85,000.00	63,716.11	85,000.00	0.00	0.00
75-00-00-52-2270	OTHER BUSINESS EXPENSE	23,800.00	888.03	13,800.00	(10,000.00)	(42.02)
	CONTRACTED OPERATING SERV	538,800.00	558,167.59	605,330.00	66,530.00	12.35
PROFESSIONAL SERVICES						
75-00-00-53-2310	PROFESSIONAL AND LIABILITY SERVICES	52,950.00	17,016.00	70,000.00	17,050.00	32.20
75-00-00-53-2320	CELLULAR COMMUNICATIONS	2,500.00	1,846.96	2,500.00	0.00	0.00
75-00-00-53-2330	MWRD ANNUAL LEASE PAYMENTS	70,000.00	71,885.61	73,000.00	3,000.00	4.29
75-00-00-53-2350	AUDIT EXPENSE	10,500.00	5,600.00	10,500.00	0.00	0.00
75-00-00-53-2390	PROFESSIONAL SERVICES	0.00	1,487.50	0.00	0.00	0.00
	PROFESSIONAL SERVICES	135,950.00	97,836.07	156,000.00	20,050.00	14.75
WHOLESALE WATER						
75-00-00-54-2410	PURCHASE OF WHOLESALE WATER	2,100,000.00	1,715,211.57	2,140,000.00	40,000.00	1.90
	WHOLESALE WATER	2,100,000.00	1,715,211.57	2,140,000.00	40,000.00	1.90
COMMODITIES						
75-00-00-55-2510	ELECTRICITY	133,000.00	114,943.15	137,000.00	4,000.00	3.01
75-00-00-55-2520	NATURAL GAS	16,000.00	2,743.76	16,480.00	480.00	3.00
75-00-00-55-2530	MUNICIPAL UTILITIES - MORTON GROVE	675.00	188.85	675.00	0.00	0.00
75-00-00-55-2540	CHEMICALS	15,000.00	12,078.45	15,450.00	450.00	3.00
75-00-00-55-2550	SUPPLIES & POSTAGE	500.00	0.00	500.00	0.00	0.00
	COMMODITIES	165,175.00	129,954.21	170,105.00	4,930.00	2.98
DEBT SERVICE						
75-00-00-58-2620	BOND INTEREST EXPENSE	1,037,350.00	1,037,825.00	1,037,350.00	0.00	0.00
75-00-00-58-2630	IEPA LOAN PRINCIPAL & INTEREST	5,052,748.00	5,052,748.40	5,052,748.00	0.00	0.00
	DEBT SERVICE	6,090,098.00	6,090,573.40	6,090,098.00	0.00	0.00
NONOPERATING EXPENSES						
75-00-00-59-2700	CAPITAL ASSET CONTRIBUTION	250,000.00	0.00	250,000.00	0.00	0.00
75-00-00-59-2710	NEW CAPITAL CONSTRUCTION	100,000.00	0.00	100,000.00	0.00	0.00
	NONOPERATING EXPENSES	350,000.00	0.00	350,000.00	0.00	0.00
TOTAL OPERATING EXPENDITURES		9,487,318.00	8,675,015.87	9,632,337.00	145,019.00	2.00
CAPITAL OUTLAY						
75-00-00-57-2022	DEPRECIATION EXPENSE	0.00	0.00	0.00	0.00	0.00
75-00-00-67-3100	CONSTRUCTION	425,000.00	254,225.28	25,000.00	(400,000.00)	(94.12)
CAPITAL OUTLAY						
75-00-00-67-3104	CONSTRUCTION COST CONTRACT # 4	1,300,000.00	1,530,148.96	0.00	(1,300,000.00)	(100.00)
75-00-00-67-3210	STANLEY DESIGN CONTRACT	0.00	110,933.69	0.00	0.00	0.00
75-00-00-67-3220	STANLEY CONSTRUCTION MANAGEMENT	150,000.00	61,672.59	20,000.00	(130,000.00)	(86.67)
	CAPITAL OUTLAY	1,875,000.00	1,956,980.52	45,000.00	(1,830,000.00)	(97.60)