

VILLAGE OF LA GRANGE  
Department of Public Works

**EXECUTIVE COMMITTEE REPORT**

TO: Village President, Village Board of Trustees  
Village Clerk and Village Attorney

FROM: Robert Pilipiszyn, Village Manager  
Ryan Gillingham, Director of Public Works  
Lou Cipparrone, Finance Director

DATE: February 9, 2009

RE: **SEWER FUND -- STAFF RECOMMENDATIONS FY 2009-10**

**SEWERS**

Capital expenses within this line item for the next five years are detailed in the table below:

|                      | FY 2009-10      | FY 2010-11       | FY 2011-12      | FY 2012-13     | FY 2013-14       |
|----------------------|-----------------|------------------|-----------------|----------------|------------------|
| NPDES Permit         | \$5,000         | \$5,000          | \$5,000         | \$5,000        | \$5,000          |
| Bluff / MARS Project | \$61,000        | \$194,000        |                 |                |                  |
| East/Cossitt (DPW)   | \$25,000        |                  |                 |                |                  |
| Edgewood Ave.        |                 |                  |                 |                | \$200,000        |
| <b>TOTAL</b>         | <b>\$91,000</b> | <b>\$199,000</b> | <b>\$ 5,000</b> | <b>\$5,000</b> | <b>\$205,000</b> |

The Bluff / MARS project will be budgeted over two fiscal years as noted above to pay for sewer related expenses. In FY 2009-10 \$61,000 is budgeted for Stage II and \$194,000 is budgeted in FY 2010-11 for Stage III. As noted in the Capital Projects Fund Report, the Sewer Fund will also budget \$200,000 in FY 2013-14 to cover the cost of the sanitary sewer upgrades within the Edgewood Avenue Project limits. Future sewer replacement projects will be identified, prioritized and scheduled when the new Street Condition Survey is completed.

The Sewer Fund was established as an enterprise fund to finance the cost of sanitary sewer expenses. The Village's sewer system consists of three types of flows: storm, sanitary and combined. While much of the Village's sewer system is combined flow, we would not be able to finance the cost of MARS solely using this Fund or at a higher funding level. Our preliminary, long term estimates for MARS indicate that we may need some increase in sewer rates to fund future segments of this project. We will analyze our financing needs for MARS over subsequent fiscal years.

SEWER LINING

We have proposed to start a sewer lining program in FY 2009-10 in order to rehabilitate existing sewers within the Village. Since these costs will be shared between the Capital Projects Fund, \$10,000 has been budgeted in the Sewer Fund to cover the proportional share related to sanitary sewers. Additional information regarding this program is described in the Capital Projects Fund of the budget.