

**THORN CREEK BASIN SANITARY DISTRICT
SPECIAL DECENNIAL COMMITTEE
EFFICIENCY REPORT**

October 2024

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1. Report Purpose

The purpose of this report is to assess the efficiency of Thorn Creek Basin Sanitary District. The District provides wastewater treatment service to residences, commercial buildings and industrial facilities within the communities of Homewood, Steger, Crete, Chicago Heights, South Chicago Heights and Park Forest.

This report is required by the State of Illinois pursuant to Decennial Committees on Local Government Efficiency Act (50 ILCS 70/), which requires such reports be prepared decennially by government entities that levy tax. Although 99 percent of District revenue is derived from sources other than a tax levy, the District does have a tax-levied Special Service Area serving approximately 80 homes which is expected to expire in 2028.

2. General Information

The District is an independent unit of local government that was created in 1928, pursuant to the Sanitary District Act of 1917. It is located in Cook and Will Counties. The population within District jurisdiction is 90,618 as of the 2020 census.

The District has 26.8 FTE employees, not including elected officials. The annual budget appropriation for the 2024/25 fiscal year is \$12,210,880.

3. Committee Information

The members of the Decennial Committee on Efficiency are:

Franciso Perez, TCBSD Trustee/President and Committee Chairman
Raymond C. Robertson, TCBSD Trustee/ Vice President/ Treasurer
Frank V. Alston, Sr., TCBSD Trustee/Clerk
Jennifer Hindel, TCBSD Executive Director
John Pina, TCBSD Resident
Ray Wiley, TCBSD Resident

The Committee met on the following dates:

July 19, 2023
July 17, 2024
October 16, 2024

Minutes of these meetings are included as attachments to this report.

4. District Purpose

The Thorn Creek Basin Sanitary District is a special purpose local governmental agency created to dispose of wastewater while protecting the public health and the environment. The mission of the District is to accept all reasonable waterborne wastes from the residences, businesses and industries in the District's service area and handle the wastewater in a manner that safeguards the environment and enhances the area's water resources. These services are provided at a minimum long-range cost.

5. Awards and Recognitions

The District has received the following awards, distinctions, and recognitions since 2017:

- 2022 Certificate of Achievement for Excellence in Financial Reporting - Annual Comprehensive Financial Report for Fiscal Year 2021/22 from the Government Finance Officers Association of the United States and Canada
- 2021 Silver Award presented to District for 99.76% compliance with EPA effluent standard from the National Association of Clean Water Agencies
- 2021 Certificate of Achievement for Excellence in Financial Reporting - Annual Comprehensive Financial Report for Fiscal Year 2020/21 from the Government Finance Officers Association of the United States and Canada
- 2020 Gold Award presented to District for 100% compliance with EPA effluent standard from the National Association of Clean Water Agencies
- 2020 Certificate of Achievement for Excellence in Financial Reporting - Annual Comprehensive Financial Report for Fiscal Year 2019/20 from the Government Finance Officers Association of the United States and Canada
- 2019 Certificate of Achievement for Excellence in Financial Reporting - Annual Comprehensive Financial Report for Fiscal Year 2018/19 from the Government Finance Officers Association of the United States and Canada
- 2018 Silver Award presented to District for 99.67% compliance with EPA effluent standard from the National Association of Clean Water Agencies
- 2018 Certificate of Achievement for Excellence in Financial Reporting - Annual Comprehensive Financial Report for Fiscal Year 2017/18 from the Government Finance Officers Association of the United States and Canada
- 2017 Gold Award presented to District for 100% compliance with EPA effluent standard from the National Association of Clean Water Agencies

6. Intergovernmental Agreements

As an independent unit of local government, the District has voluntarily entered into various minor intergovernmental agreements over the years. Most address limited and specific concerns and are no longer actively utilized.

The most significant District intergovernmental agreements pertain to billing. Per these agreements, local municipalities agree to include the District's user charges on residents' individual municipal utility bills in exchange for a per-bill fee paid to the municipality by the District.

A list of actively utilized intergovernmental agreements follows.

	<u>Entity</u>	<u>Services Offered</u>
1.	City of Chicago Heights	Billing
2.	Village of Homewood	Billing
3.	Village of South Chicago Heights	Billing
4.	Village of Park Forest	Billing
5.	Village of Crete	Billing
6.	Village of Steger	Billing
7.	City of Chicago Heights	Annual clearing of City-owned culvert to protect District facility

7. Review of Laws, Policies, Ordinances and other Documents

The Committee has reviewed the following, non-exhaustive list of laws, policies, ordinances and other documents applicable to the District to evaluate compliance, and to determine if any of the foregoing should be amended.

- Sanitary District Act of 1917
- Illinois Open Meetings Act (5 ILCS 120)
- Schedule of All Regular Meetings for Fiscal Year
- Illinois Freedom of Information Act (5 ILCS 140)
- Ordinance regarding State Officials and Employees Ethics Act (5 ILCS 430/1-1)
- District Purchasing Policy
- Industrial Pretreatment & Sewer Use Ordinance
- Annexation and Sewer Connection Ordinance
- Ordinance Establishing Fees and Charges
- Ordinance Establishing a User Charge System
- Ordinance Promulgating Standing Rules
- Budget & Appropriations Ordinance (Current)

8. District Successes

The District has limited its intermittent rate increases to five percent or less for the last 15 fiscal years. This approach has provided customers – residential, commercial and industrial – a reliable and reasonable expectation of financial planning needs. District charges on a local municipal water and sewer bill is typically around 10 to 15 percent of total charges on the bill.

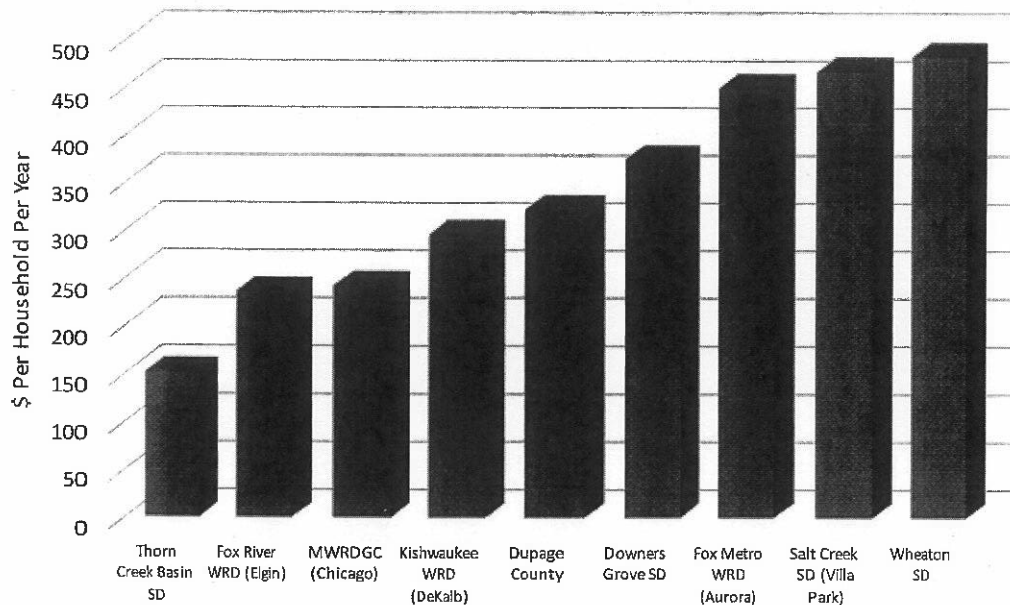
As indicated by the list of awards above, the District maintains a high level of operation while maintaining efficiency. District facilities involve complex physical, chemical and biological wastewater treatment processes. Attracting and retaining highly competent and motivated staff has been a key component to District success.

The District Board or Trustees has consistently provided wise and stable oversight and guidance to ensure that the District continues to move forward efficiently and effectively.

9. District Efficiency Evaluation and Opportunities for Improvement

The District has one of the lowest user charges of wastewater treatment agencies in northern Illinois. A recent analysis comparing wastewater treatment agency user charges is provided below.

**Northern Illinois Wastewater Agencies
2023 Annual Household Treatment Service Cost**



* Based on individual wastewater agency published information.

Although District staff works hard to keep costs low, significant increases to the District have continued for the last several years across the board, including for capital improvements, utilities, treatment chemicals and supplies. The District has been able to control power and chemical costs through a continuous efficiency improvement program over the last decade. The District will continue to pursue efficiencies in all areas. Commodities and supplies are competitively quoted or bid per District purchasing policies and per State law.

Several significant regulatory requirements that affect many Illinois wastewater agencies have been and continue to be newly implemented. The cost to comply with these new requirements will be significant. Related engineering services are underway.


10. Committee's Recommendations Regarding Increased Accountability and Efficiency

Given the District's measurable commitment to efficiency and effectiveness, as evidenced by its current low user charge rate and high level of regulatory compliance, the Committee recommends that the District continue its commitment and practice of commitment to excellence and continuous improvement.

The Committee finds that, although the District website publishes accurate and adequate notices and current documentation required by State law, other purely informational items on the website may in some instances be outdated. The Committee recommends that District staff perform an annual review of the website in order to make updates to such information in a timely manner.

Finally, the Committee recognizes that significant and imminent new regulatory burdens have been recently placed on the District. In order to complete necessary related planning efforts, the Committee accordingly recommends that the District strive to identify and utilize appropriate and competent related engineering, financial and legal services whenever possible. This approach will help the District identify the most cost-effective required financial plans, capital improvements and operational modifications required in order to comply with the new regulations. This long-term approach will allow the District to best serve residents and business in years and decades to come.

Submitted by: _____


Francisco Perez, TCBSD Trustee/President and Committee Chairman

Date: _____

10/16/2024