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Richard Lanyon
Executive Director

Metropolitan Water Reclamation District of Greater Chicago *President's Annual Message 2010*

As we wind down the year, it's hard to believe that we are already well past the first decade of the 21st century. Once again, for the 14th consecutive year, it is my privilege as the President of the Board of Commissioners to present the Metropolitan Water Reclamation District of Greater Chicago's Annual Message to our constituents, highlighting our achievements, and sharing with you some of the challenges we faced during 2010.

Congratulations, Commissioner Majewski

At the end of November, one of our esteemed colleagues on the Board, the Honorable Gloria Alitto Majewski, retired after 26 years serving the residents of Cook County. Commissioner Majewski was the first woman elected chair of the Finance Committee, and since 1986 she also served as a Trustee on our Retirement Board. During her tenure as head of the Finance Committee, Commissioner Majewski oversaw 24 different bond issues totaling \$3.973 billion and was instrumental in achieving the AAA bond rating the MWRD has earned from all three rating agencies: Fitch, Moody's and Standard & Poor's.

Commissioner Majewski also introduced a community education program in which our Commissioners and staff visit local civic, fraternal and

community organizations and share the operations and workings of the MWRD with them. To honor Commissioner Majewski, the Board voted to rename the O'Hare CUP Reservoir in Elk Grove Village in her honor. This 350 million gallon flood control facility is one of the three reservoirs in the Tunnel and Reservoir Project (TARP). We will certainly miss Commissioner Majewski, and wish her an abundance of good health and great happiness in her well-deserved retirement.

Conservative Fiscal Management

As our nation recovers from the economic downturn we've experienced during the past several years, the MWRD continues to tighten its own budgetary belt, all the while maintaining the highest levels of service and environmental protection the residents of Cook County expect from our agency. We have been vigilant in remaining true to our core mission of protecting our water environment and the health of the residents of Cook County while keeping our budgetary increases well below the state-mandated tax cap. In fact, our conservative fiscal management has permitted us to abate taxes levied for the payment of principal and interest on bond issues for the years 2009 through 2011 by nearly \$11.3 million. The average home in Cook County has a market value of \$267,000 and the owner will pay an estimated

\$222 in taxes to the District in 2010. When you consider the energy costs to heat and light a residence or business, the dollars paid to the MWRD for protecting Lake Michigan, wastewater treatment, water pollution control, stormwater management and protecting public health and safety is quite a bargain.

Our budgetary preparation has again earned the MWRD national recognition as an outstanding governmental model. This year, for the 26th consecutive year, we earned the prestigious Government Finance Officers Association (GFOA) Award for Distinguished Budget Presentation. Our annual budget documents continue to be "user-friendly," and incorporate concisely-stated objectives and goals - as well as our expenditures. We were also honored by the GFOA with another award for financial reporting - our 35th in a row - and one of the primary reasons the MWRD maintains its AAA bond rating.

The 2010 Chicagoland Excellence in Engineering Project Award was presented to the MWRD for the Central Boiler Facility installed at our Calumet

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Water Reclamation Plant, a project designed and constructed by the Engineering Department. The consolidation of heating facilities at the plant will drastically reduce energy costs.

Stormwater Management

As the authority for stormwater management in Cook County since 2004, the MWRD has made great progress in developing the plans for each of the six watersheds in Cook County. Three have been completed and approved by the Board. The remaining three will be completed and approved by early 2011. Preliminary engineering work is ongoing on 18 potential capital projects which will address flood control and/or stream bank stabilization to prevent further erosion. The initial waterways where this work will begin in the near future are Tinley Creek, Midlothian Creek, Melvina Ditch, Oak Lawn Creek and Calumet Union Drainage Ditch.

During 2009 the MWRD released its draft Watershed Management Ordinance (WMO) and

conducted a series of public hearings to ensure the participation and input from members of the public. As a result of these meetings, we complied with a request from numerous municipal leaders to conduct an Economic Impact Study of the draft WMO. This study is underway, and is expected to be completed in 2011.

Last spring the MWRD finalized a long-awaited intergovernmental agreement with the Village of Wheeling and the Wheeling Park District to construct a flood control reservoir at Heritage Park in Wheeling. This project will consist of a series of stormwater storage facilities that will capture 49 million gallons of rain water upstream of Levee 37, a U.S. Army Corps of Engineers flood control project adjacent to the Des Plaines River in Mount Prospect and Prospect Heights. The project will accommodate other improvements to Heritage Park, which include new walkways, a band shell, baseball, soccer, and additional athletic fields.

Our rain barrel distribution program continues to be a huge success with our residents. We purchase and sell rain barrels to homeowners for \$50.00 each,

the same amount we pay for them. This encourages homeowners to capture the rain from their gutters and recycle it through landscape watering, or even washing their vehicles or pets. This year we distributed nearly 1,300 barrels to homeowners throughout suburban Chicago.

Our Small Streams Maintenance Program continues to be one of the highlights of our stormwater management initiative, and very popular among municipal leaders throughout the region. Through November this year we have already removed more than 73,607 cubic yards of debris from the small streams throughout Cook County.

During the week-end of July 23rd and 24th, the county experienced one of the most horrific storms in recent history: a torrential downpour that saturated the region with more than 60 billion gallons of rain. Citizens awoke the morning of Saturday, July 24th to find their basements, yards and surrounding communities under water. This storm was recorded as the third heaviest

storm in 140 years and was particularly damaging in the western suburbs.

In response to this catastrophe, our Board members, Vice President Kathleen Therese Meany, Chairman of Finance Gloria Alitto Majewski, Commissioners Frank Avila, Patricia Horton, Barbara McGowan, Cynthia Santos, Debra Shore, and Mariyana Spyropoulos, Executive Director Richard Lanyon, along with top management from our Maintenance and Operations and Engineering Departments, accompanied me to dozens of community meetings where we spoke directly with hundreds of residents whose property had been damaged by this excessive, highly-unusual rainfall. We also invited the news media to tour our 10.5 billion gallon McCook Reservoir that is currently under construction in Bedford Park.

Our facilities continue to be open to the general public for tours. We also host tours for local municipal and legislative officials to keep them apprised of our operations and how the work we do positively impacts their communities. This year we featured the operations of our Calumet Water Reclamation Plant in Chicago. Along with local leaders we toured the treatment plant, tunnel and reservoir project and new Research and Monitoring Department laboratory.

On occasion Mother Nature proves to be one of our best lobbyists. Following the devastating storms of July, Mr. Lanyon and I met with our senators and congressional delegation in Washington, D.C., and we were able to secure \$40 million in the FY 2011 federal budget, and an additional \$40 million in President Obama's proposed 2012 budget to assist with the ongoing construction of the McCook and Thornton reservoirs for flood control. When these reservoirs, which are the second phase of our award-winning Tunnel and Reservoir Project (TARP) go on-line in 2017 and 2015, respectively, they will store more than 11.5 billion gallons of flood water. We are pleased with the progress of construction of both reservoirs. Mining at the Thornton Reservoir will be completed in two years and three construction contracts have been awarded to make this reservoir operational by 2015. One-third of the mining has been completed for Stage 1 of the McCook Reservoir. Construction work is in progress by both the District and the U.S. Army Corps of Engineers and we anticipate Stage 1 to be operational by 2017.

Asian Carp

Concerns relating to the effect of Asian carp on the ecosystem of Lake Michigan continue to capture

the attention of not only Cook County residents, but those also living in nearby Great Lakes states. The MWRD successfully prevailed on the winning side of litigation initiated by Michigan and other Great Lakes states who sued to force the closure of the navigation locks on the Calumet and Chicago Rivers in an effort to prevent this dreaded species from reaching Lake Michigan. Closing the locks and gates would put the entire northeast region of Illinois at risk of severe flooding if we are not permitted to discharge to Lake Michigan. On rare occasions during heavy rainstorms, when the Chicago Area Waterway System (CAWS) rises, it is absolutely necessary to permit the rivers to discharge the excess floodwater into the lake to protect public health and safety.

Closure of the locks and gates is an extreme and unprecedented course of action. Such a drastic measure includes many unknown factors; and the costs to Illinois taxpayers to re-engineer and reverse the Calumet and Chicago Rivers could be in the billions. To address many of these questions, Executive Director Richard Lanyon undertook an investigative study to find answers to a myriad of questions regarding the economic and environmental impact this proposal would have on the region. This information was presented at a public meeting which was attended not only by our Board of Commissioners, but by members of various business, civic and environmental organizations who are interested in this issue. The study on this topic is available on our website, www.mwrld.org.

Effluent Disinfection

This year the Chicago Health, Environmental Exposure and Recreation Study (CHEERS) was completed by the University of Illinois at Chicago, School of Public Health, under the direction of Dr. Sam Dorevitch. This study was commissioned by the MWRD and compares the rate of illness among recreators in the CAWS to those recreating in other bodies of water, such as inland lakes and Lake Michigan. The study concluded that there was practically no difference in illness between the two groups, and that acute gastrointestinal illness, which is how the USEPA assesses risk when forming water quality standards, was slightly lower for those recreating on the CAWS.

The Illinois Pollution Control Board continues to consider its position on whether or not the MWRD should disinfect effluent from its three large treatment facilities prior to discharge into the CAWS. To answer some of the questions regarding this is-

sue, we have published a comprehensive, informative brochure entitled, "The Disinfection Debate," which addresses and clarifies many questions and information about this important issue. This document is also available on our website.

Awards, Honors, and Achievements

We continue to be extremely proud of our Maintenance and Operations Department staff members for their outstanding operation of the seven water reclamation facilities. This year we were especially honored that all of our plants were bestowed Platinum or Gold awards from the National Association of Clean Water Agencies. These awards are significant because they indicate that each of our facilities either met or exceeded National Pollutant Discharge Elimination System (NPDES) permits established by the U.S. Environmental Protection Agency and issued by the Illinois EPA. In other words, our treatment facilities meet or exceed federal guidelines.

In July, the long-awaited law reducing the amount of phosphorus in dishwashing detergents and other household cleaning products went into effect. This victory occurred after several years of intense lobbying by the MWRD working with environmental organizations such as the Sierra Club. Automatic dish washing deter-

During the year the MWRD has received a number of awards, but one of which I am most proud is the recognition by the U.S. Department of Defense as a Patriotic Employer. This honor is bestowed upon employers who fully support employees who are enlisted in the National Guard and Reserve and are called into active duty. The MWRD policy is to continue to pay those who are serving our country in the military full pay and benefits to assist in support of their families.

gents and other cleaning supplies will not be permitted to contain more than 0.5 per cent of phosphorus by weight in their products.

The biosolids processing facility at our Stickney plant which transforms biosolids into small pellets, was declared to be in commercial operation on July 1st. With the addition of the pellets that are produced in this facility, we are able to increase the distribution of our biosolids to markets outside the MWRD's 75 mile area.

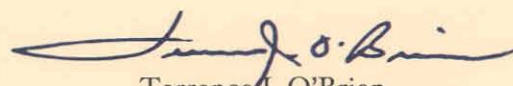
We continuously strive to maintain communications between our operational staff and the municipal public works employees who are responsible for maintaining local sewer systems, and ensuring that

the flow in the local sewers are able to reach the MWRD's interceptor system. This year we hosted three workshops highlighting the MWRD's Inflow/Infiltration (I/I) Control Program. Nearly 200 representatives from the communities within our service area in Cook County attended and received first-hand information from our maintenance and operations staff on forthcoming federal regulations, how to reduce groundwater infiltration in their local systems, and the significance of repairing or replacing outdated infrastructure to reduce sewer back up and combined sewer overflows.

Our efforts to minimize the costs incurred to county taxpayers for our services are often attained through staff attrition and the on-going efforts to increase efficiency and automation of our facilities. As our facilities are upgraded and operations are streamlined, we will continue to reduce our work force without negatively impacting the quality of our services.

As ever, we strive to provide the public with information about our operations, and access to reports and studies funded with tax dollars. This information, as well as Board meeting agendas and proceedings, can be found conveniently on our website. We encourage the public to utilize our website (www.mwrd.org) to learn about our operations

and the various projects that we are undertaking throughout the county to ensure a better quality of life for our residents. Working together with our staff members and Executive Director, our Board of Commissioners, and, of course, the public we serve, we continue to uphold our 121-year mission: protecting our water environment.



Terrence J. O'Brien

President

December 7, 2010