

Item #12:
Village Trustee Yaeger
SWALCO Board Meeting – June 16, 2016



SOLID WASTE AGENCY OF LAKE COUNTY, IL

MEMORANDUM

To: SWALCO Directors and Alternates
From: Walter S. Willis, Executive Director, *WSW/AB*
Subject: June 2016 Meeting Notice Information
Date: June 10, 2016

Attached you will find the agenda for this month's meeting, minutes from our April 14, 2016 meeting, and the referenced consent, action and information items.

I look forward to seeing you at the meeting on June 16, 2016, 7 pm at the Hainesville Village Hall. Please let Amy Bartemio know if you or an alternate will be attending the meeting.

**SOLID WASTE AGENCY OF LAKE COUNTY, IL
BOARD OF DIRECTORS
THURSDAY, JUNE 16, 2016 - 7:00 P.M.
HAINESVILLE VILLAGE HALL
100 HAINESVILLE ROAD, HAINESVILLE, IL 60030**

AGENDA

1. **CALL TO ORDER** Chairman
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL** Secretary
4. **APPROVAL OF MINUTES** Committee
Minutes of April 14, 2016
5. **PUBLIC COMMENT**
6. **NEW AGENDA ITEMS**
7. **SPECIAL ELECTION** – Open Nominations for the Board of Directors Chairman & Vice Chairman
8. **BOARD ITEMS** Executive Director

Consent Item

1. Expenditure Reports (*April & May 2016*)

Action Items

1. Fiscal Year 2015 Audit
2. Public Officials Liability Insurance Renewal
3. Elections to the Executive Committee

Information Items

1. Health Department Report – Mike Kuhn
2. Compost Bin, Rain Barrel and Native Plant Sale 2016 Summary
3. 1st Quarter 2016 Recycling and Per Ton Payment Report
4. Project and Program Updates

9. **EXECUTIVE SESSION - IF NEEDED**
10. **ADJOURNMENT**

VOICE

		SWALCO BOD VOTING RECORD/04.14.16																			
MUNICIPALITY		Consent March Expenses 2016		Vote Contract extension No 2		Water Electronic Reading Program Extension															
		A	N	A	N	A	N	A	N	A	N	A	N	A	N						
Attendance																					
ANTIOCH	✓	✓		✓		UNANIMOUS															
BANNOCKBURN	✓	✓		✓																	
BEACH PARK	✓	✓		✓																	
DEER PARK	✓	✓		✓																	
DEERFIELD																					
FOX LAKE	✓	✓		✓																	
GRAYSLAKE	✓	✓		✓																	
GREAT LAKES																					
GREEN OAKS	no show																				
GURNEE	✓	✓		✓																	
HAINESVILLE	✓	✓		✓																	
HAWTHORN WOODS	✓	✓		✓																	
HIGHLAND PARK	✓	✓		✓																	
HIGHWOOD																					
ISLAND LAKE																					
KILDEER																					
LAKE BARRINGTON																					
LAKE BLUFF	✓	✓		✓																	
LAKE COUNTY	✓	✓		✓																	
LAKE FOREST																					
LAKE VILLA																					
LAKE ZURICH	✓	✓		✓																	
LIBERTYVILLE	✓	✓		✓																	
LINCOLNSHIRE																					
LINDENHURST	✓	✓		✓																	
LONG GROVE	✓	✓		✓																	
MUNDELEIN	✓	✓		✓																	
NORTH BARRINGTON																					
NORTH CHICAGO																					
PARK CITY	✓	✓		✓																	
PORT BARRINGTON																					
RIVERWOODS	✓	✓		✓																	
ROUND LAKE	✓	✓		✓																	
ROUND LAKE BEACH	✓	✓		✓																	
ROUND LAKE HEIGHTS																					
ROUND LAKE PARK	✓	✓		✓																	
THIRD LAKE	✓	✓		✓																	
TOWER LAKES	no show																				
VERNON HILLS	✓	✓		✓																	
WADSWORTH	✓	✓		✓																	
WAUCONDA	no show																				
WAUKEGAN																					
WINTHROP HARBOR																					
VOLO	✓	✓		✓																	
ZION																					

Lake Barrington arrived @ 7:11
 North Chicago arrived @ 7:50

(26) (26) (26) (28)

UNANIMOUS

SWALCO BOD SIGN IN SHEET/04.14.16

MEMBER COMMUNITY	REPRESENTATIVE	TITLE
ANTIOCH	<i>32 Macch</i>	Antioch Village Trustee
BANNOCKBURN	<i>Maria Lasday</i>	Village manager
BEACH PARK	<i>Tracy Miracks</i>	Asst to the Administrator
DEER PARK	<i>Keith Olson</i>	Trustee
DEERFIELD		
FOX LAKE	<i>Bernie Penner</i>	Trustee
GRAYSLAKE	<i>MIKE GUIS</i>	Village Manager
GREAT LAKES		
GREEN OAKS		
GURNEE	<i>Jack Linahan</i>	Asst. to the Village Manager
HAINESVILLE	<i>Linda Soto</i>	<i>MAYOR</i>
HAWTHORN WOODS	<i>Steve Riess</i>	<i>Steve Riess</i>
HIGHLAND PARK	<i>Kim Stone</i>	Councilwoman
HIGHWOOD		
ISLAND LAKE	<i>DON</i>	
KILDEER		
LAKE BARRINGTON	<i>CURTIS MARTIN</i>	VILLAGE ADMIN
LAKE BLUFF	<i>Dr. Irvin</i>	Village Admin.
LAKE COUNTY	<i>STEVEN MANDEL</i>	COUNTY BOARD Member
LAKE FOREST		
LAKE VILLA		
LAKE ZURICH	<i>Mike Brown</i>	PW Director
LIBERTYVILLE	<i>JOE GARRITY</i>	TRUSTEE
LINCOLNSHIRE		
LINDENHURST	<i>Clayton Gray</i>	Trustee
LONG GROVE	<i>GEORGE YAEGER</i>	TRUSTEE
MUNDELEIN	<i>Michael J.</i>	Asst. Village Admin.
NORTH BARRINGTON		
NORTH CHICAGO	<i>Nimrod Warda</i>	Senior Planner
PARK CITY	<i>Barb Telle</i>	Alderswoman
PORT BARRINGTON		
RIVERWOODS	<i>John W. ...</i>	MAYOR
ROUND LAKE	<i>DAN ...</i>	ALTERNATE Director
ROUND LAKE BEACH	<i>Mike ...</i>	MAYOR
ROUND LAKE HEIGHTS		
ROUND LAKE PARK	<i>BOB CERRETTI</i>	TRUSTEE
THIRD LAKE	<i>BOB KOWALKE</i>	TRUSTEE
TOWER LAKES		
VERNON HILLS	<i>DAVID BROWN</i>	DIC OF PW
WADSWORTH	<i>GENA KYBACK</i>	MAYOR
WAUCONDA		
WAUKEGAN		
WINTHROP HARBOR		
ZION		
VOLO	<i>Mike May</i>	Village Administrator

MINUTES

SOLID WASTE AGENCY OF LAKE COUNTY, IL
BOARD OF DIRECTORS
THURSDAY, APRIL 14, 2016 - 7:00 P.M.
100 HAINESVILLE ROAD, HAINESVILLE, IL

MEMBERS ATTENDING: *See Attachment 1, Member Sign In, Attachment 2, Voting Record and Attachment 3, Public Sign In.*

PLEDGE OF ALLEGIANCE

CALL TO ORDER

Chairman Mount called the BOD meeting to order at 7:02 p.m. with 26 members present. Lake Barrington and North Chicago arrived late.

APPROVAL OF MINUTES

Motion by *Third Lake* seconded by *Riverwoods* to approve the minutes of January 21, 2016.

Motion by *Lake Bluff* seconded by *Riverwoods* to approve the minutes of March 3, 2016.

Motion was approved.

PUBLIC COMMENT: *None*

MEMBER RESOLUTIONS: *None*

NEW BOARD ITEMS: *None*

BOARD ITEMS

Consent Items

1. **Expenditures for March 2016**

Walter Willis presented the Expenditure Report of March 2016.

Motion by *Lake Bluff*, seconded by *Highland Park* to approve the March 2016 Expenditures.

Motion was approved on a roll call vote of 26 to 0.

Action Items

1. **Veolia HCW Contract Extension**

Steve Nelson discussed our current contract with Veolia Environmental, the company performs chemical handling and transportation services for our Household Chemical Waste collection program. The contract, entered into on May 1, 2015, has a one-year term with four one-year extension options. The initial one year term is due to expire on April 30, 2016. Staff is very pleased with the services provided by Veolia ES and requests permission to exercise the first of four extensions available under the contract. This extension will secure their services through

April 30, 2017. Staff also requests permission to negotiate a moderate price (3% maximum) increase only if a justifiable request is made

Motion by *Hainesville*, seconded by *Round Lake* to approve the first Veolia contract extension. *Motion was approved on a roll call vote of 26 to 0.*

2. **Intermediate Processing Facility Capacity Agreement Amendment #3**

Pete Adrian discussed SWALCO's Capacity Agreement with Waste Management. There is a provision that Waste Management will perform a composition audit to best represent an accurate account of the distribution of recyclable materials that Agency members are delivering to the MRF.

On November 24, 2015 a new composition test was completed using a sample of approximately 100 tons from approximately twelve SWALCO member communities. The distribution of the sampling from both years is illustrated in the material Composition summary table contained in Exhibit A of the Amendment. SWALCO and WM Recycle America staff have agreed to use an average of the two years commodity percentages that will be used to calculate the monthly stream value used to calculate the Per Ton Payment to Agency members.

Motion by *Riverwoods*, seconded by *Third Lake* to approve Amendment No. 3 to the current capacity agreement with Waste Management.

Motion was approved on a roll call vote of 26 to 0.

3. **Electronics Recycling Program**

Walter Willis discussed whether to reconsider the decision not to fund the electronics program and to accept the proposal from Electronic Recyclers International, Inc. (ERI) to continue the electronics collection program through the end of the calendar year. At the Executive Committee on March 17, members considered and discussed an offer made by the Village of Grayslake to provide an initial donation of \$20,000 to keep the electronics program operating through the end of the year. This discussion led to the Executive Committee instructing Walter to send an email to the Board of Directors and ask whether other members were willing to voluntarily contribute to keep the program operating. The concept of relying on donations from SWALCO members to operate a program is a new one, we typically cover our costs on a proportionate basis with all members providing funding. This situation is unique and should be considered as such. Any long term commitment to funding electronics collections beyond 2016 should be done with all members contributing. If the Board decides to enter into a contract with ERI we would expect to start the program with ERI on May 1 and run it through December 31, 2016. SWALCO would send an invoice to those entities willing to contribute and would establish a separate account for this program. If we do not spend all the money needed it will be rebated back in a share proportional to the members' original commitment. SWALCO staff is also looking into options to reduce the cost associated with electronic items not covered by the law, the sole reason for a cost to the program, by educating residents not to bring those items to our sites (we would help identify other outlets), and possibly working with a metals recycler to drop a separate container at the sites for the non-compliant items that ERI would otherwise charge us for. The thought is the cost of the metals recycler would be less than the 15 cents and 25 cents (extra fee on wood items, e.g., speakers, and microwaves) per pound the ERI would charge us for non-compliant weight.

SWALCO's legal counsel provided an amendment to the original motion from the March 3, 2016 – Special Meeting and the additional language is as follows “Unless additional sufficient funds are obtained at no cost to SWALCO to fund the estimated costs of said electronics program through the calendar year”. In addition, Walter Willis also explained the exemption of this particular action regarding our purchasing policy. Per the policy, all purchases of a particular service, item or like types of items exceeding a cost of \$20,000 must be accomplished through competitive bidding procedures as outlined in Section 6. However, ERI is the only reputable vendor available to supply this service and has the necessary backing from the manufacturers to collect the estimated weight of the collected electronics.

Motion by *Lake County*, seconded by *Highland Park* to continue the electronics collection program with ERI through the end of the calendar year per the amended motion including the noted exemption from the purchasing policy.

Motion was unanimously approved.

Information Items

1. Health Department Report – Mike Kuhn

Mike Kuhn discussed the Lake County Health Department report concerning recent activities and compliancy records regarding Lake County landfills (Countryside/Grayslake) (Advanced Disposal/Zion). Activity at the landscape waste transfer stations and composting facilities are beginning to increase in concert with spring landscaping work. Mike Kuhn also provided photos of the ADS Zion Landfill tipper in the newly constructed Cell 9 and paraffin seal used on the gas extraction wells to decrease gas and odor leakage.

2. Compost Bin & Rain Barrel Sale and Education

Merleanne Rampale discussed the upcoming event including details about the regional benefits of using rain barrels and compost bins in Lake County. The event will be held on Saturday, May 7, 2016 at Independence Grove Forest Preserve in Libertyville from 9:00 am to 3:00 pm. This is a one day sale only and quantities will be limited. The Native Plant Sale will be held for 2 days. As we have done in the past, if we have extra containers and accessories after the sale, they will be available for purchase at our office, and also at Stormwater's office at the Permit Center in Libertyville. Please help to promote this event. Several communities have offered rebates to their residents who purchased bins or barrels. Other communities have purchased bins and barrels to have available to residents to purchase right in the village/city. Please notify Merleanne if your community plans to offer a rebate for residents this year, or if you are interested in making these available to your residents to purchase at your Village/City Hall or other local site.

3. Reuse-A-Shoe Program

Merleanne Rampale provided a brief summary of the Reuse-A-Shoe program. Many of our groups including corporations, schools, churches, park districts, libraries, and other community groups and organizations, have helped to promote programs like HCW, Electronics, and Compost Bin and Rain Barrel Sales and Education, through their own websites, newsletters and E-blasts and now want to get involved our shoe program. The program continues to grow and flourish. We encourage members to offer this program and service to their residents. There are two ways you can participate. You can collect for any length of time -- 1 week, 1 month or longer. It's a very flexible and easy program. You can even become a year-round drop-off site.

If any members would like to have their communities involved or would like to find out more, please contact Merleanne for more information.

4. **Earth Month and Beyond 2016 – Assisting our Communities**

Merleanne Rampale discussed numerous avenues and events to celebrate Earth Month. The entire month of April has come to be recognized as a month to focus on environmental awareness. With that in mind, we will again continue to assist our communities in a variety of ways to help celebrate Earth Month and beyond: acting as a resource when questions arise or research needs to be done, creating flyers and other promotional materials for SWALCO & member events, giving presentations around the region, helping organizations or municipalities develop and create Earth Day and eco-events and programs, or adding an environmental component into a community event, writing articles or providing information for websites, village/city newsletters and e-News, or attending village/city special events to provide interesting displays, educational information and resources to the local community. Please contact Merleanne if you'd like to see how we can assist your community, or would like some help in planning activities or events for summer, fall, next year, or if you'd like guidance or help with any of your other environmental/sustainability endeavors or projects.

5. **1st Quarter 2016 Residential Electronics Collection Program Summary**

Pete Adrian gave a brief report of tabulations of residential electronics collections. In summary, a total of 904,329 pounds of electronics were collected by the five host collection sites. Comparing the first quarter of 2015 to volume collected at the same time last year (603,862 lbs.) the program experienced a 33% increase in volume collected during the same period. Further comparison of past years data reveal that the volume that has been collected in the first quarter of 2016 has set a record for the highest volume collected since we began permeant collection sites over 5 years ago. It is also apparent that this spike in volume has come during the month of March and can be directly correlated to the March 4th announcement that the collection sites were to close May 1.

6. **2015 Per Capita Disposal Rate Summary**

Pete Adrian discussed the 2015 Per Capita Disposal Rate, members will be contacted in the coming weeks to confirm that their information listed is updated to reflect any changes that have occurred in the past year.

7. **Executive Committee Position Openings in 2016**

Walter Willis discussed the Executive Committee members with expiring terms: Glenn Ryback, Michael Talbett, Pat Muetz and Linda Soto. All four members have expressed an interest in serving another 2-year term. In addition an email will be issued to the Directors and Alternates letting them know that they are eligible to be nominated to serve on the Executive Committee for a two year term. Nominations will be accepted until June 1, 2016 for those that are interested in serving. If more than four members indicate interest we will need to vote for the top four candidates at the next Board of Directors Meeting.

8. Project and Program Updates

Walter Willis gave a brief update on several projects and programs SWALCO is currently working on:

- Walter is consulting with several towns that are at the end of their residential franchise contract terms about whether to go to bid or negotiate an extension, including Mundelein, Green Oaks, Volo, Lake Bluff, and Fox Lake.
- The first six month reports for the commercial franchise ordinances were due and filed for Kildeer (59.5% participation rate), Round Lake Beach (20.1%), Lindenhurst (39.6%) and Lake Bluff (29.1% but all reports not filed as deadline is the end of this month). All information regarding participation rates is provided on SWALCO's website.
- Several towns will begin the food scrap ride along program this month, and SWALCO has developed two fliers on the program. SWALCO also received a grant from the IL Counties Solid Waste Management Association for \$1,250 which will be used to purchase more kitchen pails. Currently we have 300 available for purchase with Highland Park (50 pails) and Grayslake (250 pails) having already purchased some from SWALCO. Once we get the pails purchased with the grant funding we will offer one "free" pail for every one purchased by a member (at approximately \$3.95 per pail).
- The auditors were at SWALCO's office on March 17th to begin the audit process for FY 2015. We have one issue with the IMRF calculations on our net pension asset status, with the actuarial report providing a higher net position than the audited report. We have submitted a written request to IMRF to rerun the actuarial report using the more recent audited information. Our net pension status is still in excellent shape but the discrepancy needs to be addressed.
- SWALCO received its first host fee payment from Groot for the Round Lake Park Transfer Station, it totaled \$10,778.50 for the first quarter of 2016.
- Walter attended the carpet workshop group meeting held by Senator Bush in Chicago on March 30th. The major carpet mills were in attendance, discussion centered on the status of the current collection and recycling infrastructure in IL and how market conditions (low cost of oil) are having a significant impact on DC Foam and CLEAR, both indicating they may not be able to stay in business much longer without continued assistance from the carpet mills. Also much discussion on the need to continue the market development for products containing recycled carpet content, and how the state can help increase its purchase of recycled content products.
- Pete Adrian and Walter Willis attended the open house for Lakeshore Recycling Systems new MRF in Forest View, IL. The facility can process approximately 400 tons per day.
- SWALCO has a new and improved website that went live on April 4th. Please be sure to check your website for any links to our old website pages which no longer exist, and update as needed.

Executive Session: *None*

NEXT BOARD MEETING: Thursday, June 16, 2016 - 7:00 p.m. Hainesville Village Hall, 100 N. Hainesville Road

ADJOURNMENT: 8:29 p.m.

Motion by *Lake County*, seconded by *Hainesville* to adjourn. *Motion was approved.*

Memo to the Board of Directors

June 16, 2016

Consent - 1. Expenditure Approval

ISSUE: Approve Expenditures

RECOMMENDATION: We recommend approval

TIMING: Routine

BACKGROUND: The Board of Directors authorized the Executive Director to pay expenditures under \$20,000. The Executive Director submits the monthly expenditures to the Board for approval.

The total for Administration \$150,101.99; Education \$800.00 Household Chemical Waste \$11,208.12; Recycling \$321.00 *Total expenditures for April 2016 - \$162,431.11*

The total for Administration \$66,467.92; Education \$831.27 Household Chemical Waste \$9,607.21; Recycling \$308.30 *Total expenditures for May 2016 - \$77,217.70*

ENCLOSED DOCUMENTS: Account Analysis Report

STAFF: Walter Willis, Executive Director
Amy Bartemio, Executive Office Manager

SWALCO - APRIL 2016 EXPENDITURE BUDGET

SWALCO \- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wages----			
Budget Amount:	360,374.040	Funds Available:	209,469.21
			Beginning Balance for Period 123,431.23
			Total Expenditures 27,473.60
			Ending Balance for Period 150,904.83

SWALCO \- Solid Waste Prog-SWALCO Administration-Part Time Salaries And Wages----			
Budget Amount:	49,727.04	Funds Available:	25,184.05
			Beginning Balance for Period 19,188.46
			Total Expenditures 5,354.53
			Ending Balance for Period 24,542.99

SWALCO \- Solid Waste Prog-SWALCO Administration-Overtime Salaries And Wages----			
Budget Amount:	0.00	Funds Available:	-306.95
			Beginning Balance for Period 255.79
			Total Expenditures 51.16
			Ending Balance for Period 306.95

SWALCO \- Solid Waste Prog-SWALCO Administration-Special Pay----			
Budget Amount:	17,100.00	Funds Available:	10,220.82
			Beginning Balance for Period 5,628.42
			Total Expenditures 1,250.76
			Ending Balance for Period 6,879.18

SWALCO \- Solid Waste Prog-SWALCO Administration-Office Supplies----			
Budget Amount:	1,250.00	Funds Available:	602.18
			Beginning Balance for Period 473.47
			Total Expenditures 174.35
			Ending Balance for Period 647.82

SWALCO \- Solid Waste Prog-SWALCO Administration-Food and Provisions----			
Budget Amount:	2,210.00	Funds Available:	1,353.52
			Beginning Balance for Period 649.76
			Total Expenditures 206.72
			Ending Balance for Period 856.48

SWALCO \- Solid Waste Prog-SWALCO Administration-Auditing And Accounting----			
Budget Amount:	7,800.00	Funds Available:	3,011.00
			Beginning Balance for Period 0.00
			Total Expenditures 4,789.00
			Ending Balance for Period 4,789.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Trips and Training----			
Budget Amount:	10,400.00	Funds Available:	9,545.98
			Beginning Balance for Period 729.02
			Total Expenditures 125.00
			Ending Balance for Period 854.02

SWALCO \- Solid Waste Prog-SWALCO Administration-Gas for Heating----					
Budget Amount:	15,000.00	Funds Available:	9,903.54	Beginning Balance for Period	3,968.03
				Total Expenditures	1,128.43
				Ending Balance for Period	5,096.46
SWALCO \- Solid Waste Prog-SWALCO Administration-Electricity----					
Budget Amount:	12,000.00	Funds Available:	6,267.90	Beginning Balance for Period	4,736.84
				Total Expenditures	995.26
				Ending Balance for Period	5,732.10
SWALCO \- Solid Waste Prog-SWALCO Administration-Water And Sewer Charges----					
Budget Amount:	400.00	Funds Available:	287.09	Beginning Balance for Period	47.87
				Total Expenditures	65.04
				Ending Balance for Period	112.91
SWALCO \- Solid Waste Prog-SWALCO Administration-Telephone----					
Budget Amount:	6,500.00	Funds Available:	4,262.62	Beginning Balance for Period	1,784.53
				Total Expenditures	452.85
				Ending Balance for Period	2,237.38
SWALCO \- Solid Waste Prog-SWALCO Administration-Liability Insurance----					
Budget Amount:	60,900.00	Funds Available:	14,636.00	Beginning Balance for Period	0.00
				Total Expenditures	46,264.00
				Ending Balance for Period	46,264.00
SWALCO \- Solid Waste Prog-SWALCO Administration-Unemployment Compensation----					
Budget Amount:	625.00	Funds Available:	0.00	Beginning Balance for Period	0.00
				Total Expenditures	625.00
				Ending Balance for Period	625.00
SWALCO \- Solid Waste Prog-SWALCO Administration-Equip Rental----					
Budget Amount:	3,300.00	Funds Available:	-137.44	Beginning Balance for Period	1,123.33
				Total Expenditures	172.37
				Ending Balance for Period	1,295.70
SWALCO \- Solid Waste Prog-SWALCO Administration-Indirect Cost Allocations----					
Budget Amount:	51,264.00	Funds Available:	0.00	Beginning Balance for Period	0.00
				Total Expenditures	51,264.00
				Ending Balance for Period	51,264.00

SWALCO \- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----			
Budget Amount:	83,270.01	Funds Available:	52,092.63
		Beginning Balance for Period	25,022.64
		Total Expenditures	6,154.74
		Ending Balance for Period	31,177.38

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----			
Budget Amount:	31,372.97	Funds Available:	18,957.70
		Beginning Balance for Period	9,901.34
		Total Expenditures	2,513.93
		Ending Balance for Period	12,415.27

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----			
Budget Amount:	3,527.00	Funds Available:	2,032.98
		Beginning Balance for Period	1,222.77
		Total Expenditures	271.25
		Ending Balance for Period	1,494.02

SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Servi----			
Budget Amount:	12,960.00	Funds Available:	3,110.00
		Beginning Balance for Period	3,680.00
		Total Expenditures	770.00
		Ending Balance for Period	4,450.00

SWALCO \- Solid Waste Prog-Operational Supplies----			
Budget Amount:	5,000.00	Funds Available:	4,630.03
		Beginning Balance for Period	129.81
		Total Expenditures	240.16
		Ending Balance for Period	369.97

SWALCO \- Solid Waste Prog-Miscellaneous Commodities----			
Budget Amount:	8,000.00	Funds Available:	7,440.16
		Beginning Balance for Period	0.00
		Total Expenditures	559.84
		Ending Balance for Period	559.84

SWALCO \- Solid Waste Prog-Household Hazard Waste-Operational Supplies----			
Budget Amount:	15,000.00	Funds Available:	9,174.82
		Beginning Balance for Period	3,317.58
		Total Expenditures	1,273.31
		Ending Balance for Period	4,590.89

SWALCO \- Solid Waste Prog-Household Hazard Waste-Laboratory Supplies----			
Budget Amount:	100.00	Funds Available:	50.14
		Beginning Balance for Period	0.00
		Total Expenditures	49.86
		Ending Balance for Period	49.86

SWALCO \- Solid Waste Prog-Household Hazard Waste-Miscellaneous Commodities----			
Budget Amount:	500.00	Funds Available:	401.01
		Beginning Balance for Period	0.00
		Total Expenditures	98.99
		Ending Balance for Period	98.99

SWALCO \- Solid Waste Prog-Household Hazard Waste---Consultants----			
Budget Amount:	162,700.00	Funds Available:	19,415.26
		Beginning Balance for Period	17,292.84
		Total Expenditures	7,061.90
		Ending Balance for Period	24,354.74

SWALCO \- Solid Waste Prog-Household Hazard Waste---Garbage Disposal----			
Budget Amount:	10,650.00	Funds Available:	8,550.00
		Beginning Balance for Period	878.00
		Total Expenditures	164.98
		Ending Balance for Period	1,042.98

SWALCO \- Solid Waste Prog-Household Hazard Waste---All Other Maintenance----			
Budget Amount:	15,250.00	Funds Available:	4,067.20
		Beginning Balance for Period	7,021.54
		Total Expenditures	2,559.08
		Ending Balance for Period	9,580.62

SWALCO \- Solid Waste Prog-Recycling---Miscellaneous Commodities----			
Budget Amount:	6,350.00	Funds Available:	4,628.40
		Beginning Balance for Period	1,011.80
		Total Expenditures	321.00
		Ending Balance for Period	1,332.80

TOTAL EXPENDITURES \$ 162,431.11

SWALCO - MAY 2016 EXPENDITURE BUDGET

SWALCO \- Solid Waste Prog-SWALCO Administration-Regular Salaries And Wages----			
Budget Amount:	360,374.040	Funds Available:	181,995.61
			Beginning Balance for Period 150,904.83
			Total Expenditures 27,473.60
			Ending Balance for Period 178,378.43

SWALCO \- Solid Waste Prog-SWALCO Administration-Part Time Salaries And Wages----			
Budget Amount:	49,727.04	Funds Available:	19,965.95
			Beginning Balance for Period 24,542.99
			Total Expenditures 5,218.10
			Ending Balance for Period 29,761.09

SWALCO \- Solid Waste Prog-SWALCO Administration-Overtime Salaries And Wages----			
Budget Amount:	0.00	Funds Available:	-665.06
			Beginning Balance for Period 306.95
			Total Expenditures 358.11
			Ending Balance for Period 665.06

SWALCO \- Solid Waste Prog-SWALCO Administration-Special Pay----			
Budget Amount:	17,100.00	Funds Available:	8,970.00
			Beginning Balance for Period 6,879.18
			Total Expenditures 1,250.76
			Ending Balance for Period 8,129.94

SWALCO \- Solid Waste Prog-SWALCO Administration-Office Supplies----			
Budget Amount:	1,250.00	Funds Available:	521.29
			Beginning Balance for Period 647.82
			Total Expenditures 80.89
			Ending Balance for Period 728.71

SWALCO \- Solid Waste Prog-SWALCO Administration-Food and Provisions----			
Budget Amount:	2,210.00	Funds Available:	1,211.20
			Beginning Balance for Period 856.48
			Total Expenditures 142.32
			Ending Balance for Period 998.80

SWALCO \- Solid Waste Prog-SWALCO Administration-Auditing And Accounting----			
Budget Amount:	7,800.00	Funds Available:	1,866.00
			Beginning Balance for Period 4,789.00
			Total Expenditures 1,145.00
			Ending Balance for Period 5,934.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Consultants----			
Budget Amount:	37,750.00	Funds Available:	0.00
			Beginning Balance for Period 18,875.00
			Total Expenditures 18,875.00
			Ending Balance for Period 37,750.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Trips and Training----					
Budget Amount:	10,400.00	Funds Available:	9,389.18	Beginning Balance for Period	854.02
				Total Expenditures	156.80
				Ending Balance for Period	1,010.82
SWALCO \- Solid Waste Prog-SWALCO Administration-Gas for Heating----					
Budget Amount:	15,000.00	Funds Available:	9,277.22	Beginning Balance for Period	5,096.46
				Total Expenditures	626.32
				Ending Balance for Period	5,722.78
SWALCO \- Solid Waste Prog-SWALCO Administration-Electricity----					
Budget Amount:	12,000.00	Funds Available:	6,416.79	Beginning Balance for Period	5,732.10
				Total Expenditures	851.11
				Ending Balance for Period	6,583.21
SWALCO \- Solid Waste Prog-SWALCO Administration-Telephone----					
Budget Amount:	6,500.00	Funds Available:	3,746.81	Beginning Balance for Period	2,237.38
				Total Expenditures	515.81
				Ending Balance for Period	2,753.19
SWALCO \- Solid Waste Prog-SWALCO Administration-Courier Services----					
Budget Amount:	150.00	Funds Available:	129.39	Beginning Balance for Period	0.00
				Total Expenditures	20.61
				Ending Balance for Period	20.61
SWALCO \- Solid Waste Prog-SWALCO Administration-Equip Rental----					
Budget Amount:	3,300.00	Funds Available:	-137.44	Beginning Balance for Period	1,295.70
				Total Expenditures	191.87
				Ending Balance for Period	1,487.57
SWALCO \- Solid Waste Prog-SWALCO Administration-H/L/D Employee Benefits----					
Budget Amount:	83,270.01	Funds Available:	45,937.89	Beginning Balance for Period	31,177.38
				Total Expenditures	6,154.74
				Ending Balance for Period	37,332.12
SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/FICA----					
Budget Amount:	31,372.97	Funds Available:	16,430.74	Beginning Balance for Period	12,415.27
				Total Expenditures	2,526.96
				Ending Balance for Period	14,942.23

SWALCO \- Solid Waste Prog-SWALCO Administration-Retirement Benefits/IMRF----					
Budget Amount:	3,527.00	Funds Available:	1,760.26	Beginning Balance for Period	1,494.02
				Total Expenditures	272.72
				Ending Balance for Period	1,766.74

SWALCO \- Solid Waste Prog-SWALCO Administration-Miscell Contractual Servi----					
Budget Amount:	12,960.00	Funds Available:	3,110.00	Beginning Balance for Period	4,450.00
				Total Expenditures	420.00
				Ending Balance for Period	4,870.00

SWALCO \- Solid Waste Prog-SWALCO Administration-Furniture And Office Equipment----					
Budget Amount:	1,500.00	Funds Available:	1,312.80	Beginning Balance for Period	0.00
				Total Expenditures	187.20
				Ending Balance for Period	187.20

SWALCO \- Solid Waste Prog-Education-Operational Supplies----					
Budget Amount:	5,000.00	Funds Available:	4,328.86	Beginning Balance for Period	369.97
				Total Expenditures	301.17
				Ending Balance for Period	671.14

SWALCO \- Solid Waste Prog-Education-Advertising----					
Budget Amount:	2,500.00	Funds Available:	1,339.80	Beginning Balance for Period	100.00
				Total Expenditures	530.10
				Ending Balance for Period	630.10

SWALCO \- Solid Waste Prog-Household Hazard Waste-Operational Supplies----					
Budget Amount:	15,000.00	Funds Available:	6,032.20	Beginning Balance for Period	4,590.89
				Total Expenditures	2,097.54
				Ending Balance for Period	6,688.43

SWALCO \- Solid Waste Prog-Household Hazard Waste-Miscellaneous Commodities----					
Budget Amount:	500.00	Funds Available:	388.38	Beginning Balance for Period	98.99
				Total Expenditures	12.63
				Ending Balance for Period	111.62

SWALCO \- Solid Waste Prog-Household Hazard Waste--Consultants----					
Budget Amount:	162,700.00	Funds Available:	19,032.16	Beginning Balance for Period	24,354.74
				Total Expenditures	5,238.10
				Ending Balance for Period	29,592.84

SWALCO \- Solid Waste Prog-Household Hazard Waste---Garbage Disposal----					
Budget Amount:	10,650.00	Funds Available:	8,550.00	Beginning Balance for Period	1,042.98
				Total Expenditures	157.00
				Ending Balance for Period	1,199.98

SWALCO \- Solid Waste Prog-Household Hazard Waste---Motor Vehicle Maintenance----					
Budget Amount:	1,375.00	Funds Available:	1,327.11	Beginning Balance for Period	0.00
				Total Expenditures	47.89
				Ending Balance for Period	47.89

SWALCO \- Solid Waste Prog-Household Hazard Waste---All Other Maintenance----					
Budget Amount:	15,250.00	Funds Available:	2,277.20	Beginning Balance for Period	9,580.62
				Total Expenditures	1,272.80
				Ending Balance for Period	10,853.42

SWALCO \- Solid Waste Prog-Household Hazard Waste---Miscell Contractual Services----					
Budget Amount:	4,200.00	Funds Available:	1,491.00	Beginning Balance for Period	209.00
				Total Expenditures	781.25
				Ending Balance for Period	990.25

SWALCO \- Solid Waste Prog-Recycling---Miscellaneous Commodities----					
Budget Amount:	6,350.00	Funds Available:	4,320.10	Beginning Balance for Period	1,332.80
				Total Expenditures	308.30
				Ending Balance for Period	1,641.10

TOTAL EXPENDITURES \$ 77,214.70

ACTION ITEMS

A -1 . Fiscal Year 2015 Audit

ISSUE: Whether to approve the Fiscal Year 2015 financial audit.

RECOMMENDATION: SWALCO staff recommend approval of the FY 2015 financial audit.

BACKGROUND: SWALCO's By-Laws and Illinois law requires that municipal joint action agencies undertake an annual financial audit. The firm of Baker Tilly Virchow Krause, LLP conducted the audit, the same firm that audits Lake County government. This year due to the timing of meetings and the finalization of the draft audit, the Executive Committee did not have an opportunity to provide a review and recommendation to the Board.

The audit includes the required communication of internal control related matters, and financial statements for fiscal years ending November 2015 and 2014. The audit was found to be satisfactory and did not contain any material weaknesses in our financial reporting, but did include a Qualified Opinion related to the GASB 68 reporting. This is the first year that SWALCO's audit has included the information required by GASB 68 related to accounting and financial reporting for the Agency's IMRF pension fund. Two reports reviewed by Baker Tilly did not coincide and in fact one was \$284,023 lower than the other (the audit report was \$2,532,783 vs. \$2,807,657 in the actuarial report). SWALCO sent an email to IMRF asking for assistance to address this discrepancy. In the meantime IMRF was developing new audit reports that Baker Tilly was not able to review in time for this final FY 2015 audit. Baker Tilly has indicated to the Agency that this should not be an issue for next year's audit. The good news is that the Agency's pension fund is more than 100% funded under either set of numbers, which is why our employer contribution rate has been under 1% the last 2 budgets, and is estimated to be under 1% for next year as well.

I want to thank Lake County's Finance Department and Amy Bartemio for their hard work on this year's audit.

ENCLOSED DOCUMENTS: Fiscal Year 2015 Financial Audit

STAFF: Walter S. Willis, Executive Director

**SOLID WASTE AGENCY OF
LAKE COUNTY, ILLINOIS**

Gurnee, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended November 30, 2015 and 2014

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS
Gurnee, Illinois

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BAKER TILLY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Solid Waste Agency of Lake County
Gurnee, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO), as of and for the years ended November 30, 2015 and 2014, and the related notes to the financial statements, which comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SWALCO's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SWALCO's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board Directors
Sold Waste Agency of Lake County

Basis for Qualified Opinion

SWALCO has implemented GASB 68: *Accounting and Financial reporting for Pensions – an amendment of GASB Statement No. 27* and GASB 71: *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, to account for their pension activities associated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple employer defined pension plan in which SWALCO participates. Based on the December 31, 2014 measurement date, SWALCO reported a net pension asset, deferred outflows of resources, and deferred inflows or resources of \$673,832, \$86,424, and \$79,563, respectively, on the Statement of Net Position as of November 30, 2015. The related pension expense of \$119,674 is included in the Statement of Changes in Net Position for the year then ended. This information was calculated and reported in an actuarial report that utilized preliminary plan data provided to the actuary by IMRF. A subsequent audited financial statement of the fiduciary net position of each individual IMRF employer revealed significant differences between the net position used by the actuary and the net position reported in the audited financial statement. The audited plan net position is \$284,023 lower than that used by the actuary. This difference would affect the carrying amounts of the aforementioned balances. Therefore, we are unable to obtain sufficient appropriate audit evidence about the carrying amount of SWALCO's net pension asset, deferred outflows of resources, and deferred inflows of resources with IMRF as of November 30, 2015 and the net pension expense associated with IMRF for the year then ended. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of SWALCO as of November 30, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in the Note 1, SWALCO has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective December 1, 2014. The cumulative effect of the change is shown in the current year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board Directors
Sold Waste Agency of Lake County

SWALCO has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 7, 2016

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENTS OF NET POSITION As of November 30, 2015 and 2014

ASSETS		
	2015	2014
CURRENT ASSETS		
Cash	\$ 1,836,654	\$ 2,267,808
Receivables	131,433	194,915
Prepaid insurance	21,407	21,673
Total Current Assets	1,989,494	2,484,396
NONCURRENT ASSETS		
Designated assets		
Equipment replacement fund	500,000	104,232
Restricted assets		
Net pension asset	673,832	-
Capital Assets		
Plant in service	2,154,946	2,154,946
Accumulated depreciation	(1,086,986)	(1,024,942)
Total Noncurrent Assets	2,241,792	1,234,236
TOTAL ASSETS	4,231,286	3,718,632
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension	86,424	-
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	35,197	67,387
Accrued payroll	10,635	9,061
Total Current Liabilities	45,832	76,448
Total Liabilities	45,832	76,448
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	79,563	-
NET POSITION		
Net investment in capital assets	1,067,960	1,130,004
Restricted for:		
Pension	673,832	-
Unrestricted	2,450,523	2,512,180
TOTAL NET POSITION	\$ 4,192,315	\$ 3,642,184

See accompanying notes to financial statements.

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Years Ended November 30, 2015 and 2014

	2015	2014
OPERATING REVENUES		
County surcharge - current	\$ 723,982	\$ 708,278
Member fees	277,650	237,170
Other miscellaneous	105,168	232,559
Total Operating Revenues	<u>1,106,800</u>	<u>1,178,007</u>
OPERATING EXPENSES		
Personnel services	407,826	403,571
Operational services	35,957	43,154
Contractual services	734,264	526,622
Buildings and equipment maintenance	171	3,273
Pension expense	119,674	-
Depreciation	62,044	62,045
Total Operating Expenses	<u>1,359,936</u>	<u>1,038,665</u>
OPERATING INCOME (LOSS)	<u>(253,136)</u>	<u>139,342</u>
NONOPERATING INCOME		
Investment income	<u>2,900</u>	<u>9,131</u>
CHANGE IN NET POSITION	(250,236)	148,473
NET POSITION - Beginning of Year	3,642,184	3,493,711
Cumulative effect of a change in accounting principle	<u>800,367</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 4,192,315</u>	<u>\$ 3,642,184</u>

See accompanying notes to financial statements.

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENTS OF CASH FLOWS For the Years Ended November 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from members and the County	\$ 1,167,944	\$ 1,166,127
Paid to suppliers for goods and services	(800,742)	(597,254)
Paid to employees for services	(407,826)	(403,571)
Net Cash Flows From Operating Activities	(40,624)	165,302
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	5,238	4,013
Net Change in Cash and Cash Equivalents	(35,386)	169,315
CASH AND CASH EQUIVALENTS – Beginning of Year	2,372,040	2,202,725
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 2,336,654	\$ 2,372,040

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (253,136)	\$ 139,342
Noncash items included in operating income		
Depreciation	62,044	62,045
Changes in assets and liabilities		
Other receivables	61,144	(11,880)
Prepaid insurance	266	(1,563)
Accounts payable	(32,190)	(23,014)
Accrued payroll	1,574	372
Pension related deferrals and liabilities	119,674	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (40,624)	\$ 165,302

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF NET POSITION

Cash	\$ 1,836,654	\$ 2,267,808
Equipment replacement fund	500,000	104,232
CASH AND CASH EQUIVALENTS	\$ 2,336,654	\$ 2,372,040

See accompanying notes to financial statements.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended November 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Solid Waste Agency of Lake County, Illinois ("SWALCO" or the "Agency"), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by SWALCO are described below:

REPORTING ENTITY

SWALCO is a municipal corporation formed by Lake County and 43 municipalities within Lake County for the purpose of implementing the Lake County Solid Waste Management Plan. SWALCO has a Board of Directors made up from these members, an Executive Committee (one permanent seat for Lake County, two seats for members with 30,000 or more residents and six at large seats), a Legislative Committee and five staff members. SWALCO is established pursuant to the Intergovernmental Cooperation Act of the State of Illinois, the Illinois Local Solid Waste Disposal Act, the Illinois Planning and Recycling Act and Lake County Board Resolution #38 of September 12, 1989. Operations began on February 21, 1991. Following criteria established by GASB, SWALCO is not considered a component unit of the county.

MISSION STATEMENT AND OBJECTIVES

SWALCO implements a regional approach to solid waste management by addressing the economic, political and environmental issues in Lake County, and by meeting the following objectives:

- > Implement and update the Lake County Solid Waste Management Plan.
- > Facilitate an efficient, reliable and environmentally sound waste disposal system.
- > Advise and assist SWALCO members regarding solid waste management issues.
- > Educate the public regarding the implications of solid waste management options.
- > Identify and disseminate information regarding techniques to reduce, reuse and recycle solid waste.

The entity generally does not dispose of solid waste for its members.

FUNDING

The Agency is funded from a surcharge imposed at sanitary landfills. The surcharge also funds the Lake County Health Department's enforcement program. The Agency also receives a yearly operations and maintenance fee from its members based on the number of households in each member community.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

SWALCO is presented following enterprise fund accounting. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended November 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (cont.)

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*, in June 2012 and November 2013, respectively. These statements establish accounting and financial reporting standards for the accounting and reporting of the Agency's agent multiple employer pension plan. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employer*. The Agency adopted these statements effective December 1, 2014. The cumulative impact of the implementation is shown in Note 11.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition. SWALCO's deposits and investments are maintained by the Treasurer of Lake County in pooled deposit and investment accounts. The county's policy is to maintain collateral for all deposits.

Receivables/Payables

Other receivables consist of membership fees being paid over a number of years from member communities and other miscellaneous amounts due to SWALCO. Breakdown of accounts receivable is as follows:

	2015	2014
Statutory fee receivable	\$ 127,014	\$ 183,583
Member receivable	500	5,485
Interest receivable	3,509	5,847
Miscellaneous receivables	410	-
Total Other Receivables	<u>\$ 131,433</u>	<u>\$ 194,915</u>

SWALCO anticipates no issues with collections from member communities and others. As such, no allowance for uncollectible accounts is considered necessary.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (cont.)

Receivables/Payables (cont.)

Accounts payable consists of amounts due from SWALCO to outside parties for goods and services received.

Restricted Assets

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Designated Assets

During fiscal year 2009, the Agency authorized a replacement account to fund any future replacement of capital items. The Agency authorized an increase in this account in fiscal 2015.

Prepaid Insurance

Prepaid insurance represents insurance premiums which benefit subsequent periods.

Capital Assets

Capital assets are generally defined by SWALCO as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of one year.

Capital assets of SWALCO are recorded at cost or the fair market value at the time of contribution to SWALCO. Major outlays for SWALCO capital assets are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital assets constructed, net of interest earned on the invested proceeds over the same period. Capital assets in service are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Land improvements	5 – 10
Buildings	30
Office furniture and equipment	2 – 10

PENSIONS

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF or the "Fund") and additions to /deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (cont.)

DEFERRED OUTFLOWS OF RESOURCES

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

DEFERRED INFLOWS OF RESOURCES

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

REVENUES AND EXPENSES

SWALCO distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with SWALCO's principal ongoing operations. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

GASB has approved GASB Statement No. 72, *Fair Value Measure and Application*, Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and Statement No. 79, *Certain External Investment Pools and Pool Participants*. When they become effective, application of these standards may restate portions of these financial statements.

COMPARATIVE DATA

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 – DEPOSITS AND INVESTMENTS

Generally accepted accounting principles require the disclosure of SWALCO's cash and investment balances and their applicable risks. SWALCO's cash and investments are commingled with the Treasurer of Lake County, Illinois; therefore, individual fund bank balances cannot be determined. Please refer to Lake County's statements for further information.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 3 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for 2015 follows:

	<u>Balance 12/1/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 11/30/15</u>
Capital assets, not being depreciated				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Total Capital Assets Not Being Depreciated	<u>166,217</u>	<u>-</u>	<u>-</u>	<u>166,217</u>
Capital assets being depreciated				
Land improvements	96,352	-	-	96,352
Buildings	1,678,340	-	-	1,678,340
Office furniture and equipment	214,037	-	-	214,037
Total Capital Assets Being Depreciated	<u>1,988,729</u>	<u>-</u>	<u>-</u>	<u>1,988,729</u>
Total Capital Assets	<u>2,154,946</u>	<u>-</u>	<u>-</u>	<u>2,154,946</u>
Less: Accumulated depreciation	<u>(1,024,942)</u>	<u>(62,044)</u>	<u>-</u>	<u>(1,086,986)</u>
Net Capital Assets	<u>\$ 1,130,004</u>			<u>\$ 1,067,960</u>

A summary of changes in capital assets for 2014 follows:

	<u>Balance 12/1/13</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 11/30/14</u>
Capital assets, not being depreciated				
Land	\$ 166,217	\$ -	\$ -	\$ 166,217
Total Capital Assets Not Being Depreciated	<u>166,217</u>	<u>-</u>	<u>-</u>	<u>166,217</u>
Capital assets being depreciated				
Land improvements	96,352	-	-	96,352
Buildings	1,678,340	-	-	1,678,340
Office furniture and equipment	214,037	-	-	214,037
Total Capital Assets Being Depreciated	<u>1,988,729</u>	<u>-</u>	<u>-</u>	<u>1,988,729</u>
Total Capital Assets	<u>2,154,946</u>	<u>-</u>	<u>-</u>	<u>2,154,946</u>
Less: Accumulated depreciation	<u>(962,897)</u>	<u>(62,045)</u>	<u>-</u>	<u>(1,024,942)</u>
Net Capital Assets	<u>\$ 1,192,049</u>			<u>\$ 1,130,004</u>

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 4 – NET POSITION

GASB No. 34 requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds. SWALCO has no debt outstanding as of November 30, 2015 or 2014.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the agency's policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the investment in capital assets as of November 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Plant in service	\$ 2,154,946	\$ 2,154,946
Accumulated depreciation	<u>(1,086,986)</u>	<u>(1,024,942)</u>
Total Investment in Capital Assets	<u>\$ 1,067,960</u>	<u>\$ 1,130,004</u>

NOTE 5 – CONTINGENCIES AND COMMITMENTS

CONTINGENT LIABILITIES

Due to the nature of SWALCO's operations, claims and legal actions against hazardous waste disposal may be incurred. No amount has been recorded as a loss because the probability, or amount, cannot be reasonably estimated.

LANDFILL CONTRACTS

SWALCO has executed waste disposal capacity agreements with seven landfills. The agreements were executed to provide guaranteed disposal capacity to the participating communities over their agreed to terms. The agreements further call for monthly payments to SWALCO based on the tonnage received from the members. Complete terms and conditions of the agreements are available from SWALCO offices.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended November 30, 2015 and 2014

NOTE 6 – RISK MANAGEMENT

SWALCO is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers' compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM

The Agency implemented GASB No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective December 1, 2014. The cumulative effect of the change in net position due to the change in accounting standard is shown as a change in beginning net position for 2015. The prior year balances for deferred outflows of resources and the net pension liability were not restated due to the measurement date used for the calculation of the balances and the timing of information received by IMRF. For this reason, prior year pension footnote disclosures are included under GASB No. 27.

PLAN DESCRIPTION

The Agency's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Agency's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

BENEFITS PROVIDED

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (cont.)

BENEFITS PROVIDED (cont.)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- > 3% of the original pension amount, or
- > 1/2 of the increase in the Consumer Price Index of the original pension amount.

EMPLOYEES COVERED BY BENEFIT TERMS

As of December 31, 2014, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and Beneficiaries currently receiving benefits	4
Inactive Plan Members entitled to but not yet receiving benefits	3
Active Plan Members	5
Total	<u><u>12</u></u>

CONTRIBUTIONS

As set by statute, the Agency's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Agency's annual contribution rate for calendar year 2014 was 8.18%. SWALCO also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY (ASSET)

The Agency's net pension liability (asset) was measured as of December 31, 2014. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (cont.)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ACTUARIAL ASSUMPTION

The following are the methods and assumptions used to determine total pension liability (asset) at December 31, 2014:

- > The Actuarial Cost Method used was Entry Age Normal.
- > The Asset Valuation Method used was Market Value of Assets.
- > The Inflation Rate was assumed to be 3.5%.
- > Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- > The Investment Rate of Return was assumed to be 7.48%.
- > Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- > The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- > For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- > For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- > The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (cont.)

ACTUARIAL ASSUMPTION (cont.)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Projected Returns/Risk</u>	
		<u>One Year Arithmetic</u>	<u>Ten Year Geometric</u>
Equities	38%	8.85%	7.39%
International Equities	17%	9.55%	7.59%
Fixed Income	27%	3.05%	3.00%
Real Estate	8%	7.20%	6.00%
Alternatives	9%		
Private Equity		13.15%	8.15%
Hedge Funds		5.55%	5.25%
Commodities		4.40%	2.75%
Cash Equivalents	1%	2.25%	2.25%
Total	100%		

SINGLE DISCOUNT RATE

A Single Discount Rate of 7.50% was used to measure the total pension liability (asset). The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (cont.)

CHANGES IN THE NET PENSION LIABILITY (ASSET)

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (Asset) (A) - (B)</u>
Balances at December 31, 2013	\$ 1,982,980	\$ 2,749,032	\$ (766,052)
Changes for the year:			
Service Cost	48,289	-	48,289
Interest on the Total Pension Liability	150,456	-	150,456
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(113,552)	-	(113,552)
Changes of Assumptions	76,878	-	76,878
Contributions - Employer	-	29,569	(29,569)
Contributions - Employees	-	16,266	(16,266)
Net Investment Income	-	169,025	(169,025)
Benefit Payments, including Refunds of Employee Contributions	(2,077)	(2,077)	-
Other (Net Transfer)	-	(145,009)	145,009
Net Changes	<u>159,994</u>	<u>67,774</u>	<u>92,220</u>
Balances at December 31, 2014	<u>\$ 2,142,974</u>	<u>\$ 2,807,657</u>	<u>\$ (673,832)</u>

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	<u>1% Lower (6.50%)</u>	<u>Current Discount (7.50%)</u>	<u>1% Higher (8.50%)</u>
Net Pension Liability (Asset)	(\$402,687)	(\$673,832)	(\$900,104)

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 7 – EMPLOYEE RETIREMENT SYSTEM (cont.)

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended November 30, 2015, the Agency recognized pension expense of \$119,674. At November 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 78,525
Changes of assumptions	53,163	-
Net difference between projected and actual earnings on pension plan investments	<u>27,722</u>	<u>1,038</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>80,885</u>	<u>79,563</u>
<i>Pension Contributions made subsequent to the Measurement Date</i>	<u>5,539</u>	-
Total Deferred Amounts Related to Pensions	<u>\$ 86,424</u>	<u>\$ 79,563</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2016	\$ 30,645	\$ 35,287
2017	30,645	35,287
2018	12,665	8,729
2019	<u>6,930</u>	<u>260</u>
Total	<u>\$ 80,855</u>	<u>\$ 79,563</u>

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended November 30, 2015 and 2014

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

All full-time employees participate in a single-employer self-insured health care plan administered through Lake County. The Plan provides limited health care coverage at 100% of the active premium rate. The State of Illinois requires IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled members, retirees, and surviving spouses at the same premium rate for active employees. Therefore an implicit rate subsidy exists for retirees (that is, the difference between the premium rate charged to retirees for the benefit and the estimated rate that would be applicable to those retirees if that benefit were acquired for them as a separate group) resulting from the participation in postemployment healthcare plans that cover both active employees and retirees. The plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health insurance benefits. The actuarial valuation of the plan is computed for the county as a whole. The Agency's portion of the liability is not considered material to the financial statements.

Further details regarding the county's entire commitment to the health care plan can be found in the Lake County, Illinois financial statements.

NOTE 9 – RELATED PARTIES

SWALCO is a stand-alone government as determined by criteria established by GASB. Lake County does provide certain services including, but not limited to, banking, general ledger, payroll and other data processing.

NOTE 10 – SUBSEQUENT EVENTS

The Agency evaluated subsequent events through June 7, 2016, the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements. No significant events were noted.

NOTE 11 – CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE

The Agency adopted GASB Statement No. 68 effective December 1, 2014. The cumulative effect of implementation is reflected as a change in net position as follows:

Net pension liability (asset) December 1, 2014	\$ (766,052)
Deferred outflows December 1, 2014	<u>(34,315)</u>
Cumulative Effect of Change in Accounting Principle	<u>\$ (800,367)</u>

REQUIRED SUPPLEMENTARY INFORMATION

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BUDGET AND ACTUAL For the Year Ended November 30, 2015

	Original and Final Budget	Actual	Variance
OPERATING REVENUES			
County surcharge - current	\$ 669,000	\$ 723,982	\$ 54,982
Member fees	277,305	277,650	345
Other miscellaneous	97,480	105,168	7,688
Total Operating Revenues	<u>1,043,785</u>	<u>1,106,800</u>	<u>63,015</u>
OPERATING EXPENSES			
Personnel services	410,606	407,826	2,780
Operational services	38,560	35,957	2,603
Contractual services	578,239	734,264	(156,025)
Capital outlay	3,500	171	3,329
Depreciation	-	62,044	(62,044)
Pension Expense	-	119,674	(119,674)
Total Operating Expenses	<u>1,030,905</u>	<u>1,359,936</u>	<u>(329,031)</u>
OPERATING INCOME	<u>12,880</u>	<u>(253,136)</u>	<u>(266,016)</u>
NONOPERATING INCOME			
Investment income	5,000	2,900	(2,100)
CHANGE IN NET POSITION	17,880	(250,236)	<u>\$ (268,116)</u>
NET POSITION - Beginning of Year	<u>3,642,184</u>	<u>3,642,184</u>	
Cumulative effect of a change in accounting principle		<u>800,367</u>	
NET POSITION - END OF YEAR	<u>\$ 3,660,064</u>	<u>\$ 4,192,315</u>	

See independent auditors' report and notes to required supplementary information.

SOLID WASTE AGENCY OF LAKE COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the Year Ended November 30, 2014

	Original and Final Budget	Actual	Variance
OPERATING REVENUES			
County surcharge - current	\$ 635,000	\$ 708,278	\$ 73,278
Member fees	275,920	237,170	(38,750)
Other miscellaneous	163,550	232,559	69,009
Total Operating Revenues	<u>1,074,470</u>	<u>1,178,007</u>	<u>103,537</u>
OPERATING EXPENSES			
Personnel services	402,795	403,571	(776)
Operational services	53,950	43,154	10,796
Contractual services	604,900	526,622	78,278
Capital outlay	3,500	3,273	227
Depreciation	-	62,045	(62,045)
Total Operating Expenses	<u>1,065,145</u>	<u>1,038,665</u>	<u>26,480</u>
OPERATING INCOME	<u>9,325</u>	<u>139,342</u>	<u>130,017</u>
NONOPERATING INCOME			
Investment income	5,000	9,131	4,131
CHANGE IN NET POSITION	14,325	148,473	\$ <u>134,148</u>
NET POSITION - Beginning of Year	<u>3,493,711</u>	<u>3,493,711</u>	
NET POSITION - END OF YEAR	<u>\$ 3,508,036</u>	<u>\$ 3,642,184</u>	

See independent auditors' report and notes to required supplementary information.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended November 30, 2015

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the accrual basis of accounting. We also note depreciation expense is not budgeted.

See independent auditors' report.

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
 For the Year Ended November 30, 2015

The schedule of funding progress, presented as required supplementary information, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule below represents Lake County as a whole, and does not separate SWALCO's proportionate share, which is not considered material to these financial statements.

Entire County Including SWALCO

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/1/2014	\$ -	\$ 34,142,000	\$ 34,142,000	0.00%	\$ 139,361,000	24.50%
12/1/2013	-	31,964,000	31,964,000	0.00%	125,558,900	25.46%
12/1/2012	-	30,511,959	30,511,959	0.00%	124,979,909	24.41%
12/1/2011	-	29,659,000	29,659,000	0.00%	119,608,000	24.80%
12/1/2010	-	27,362,000	27,362,000	0.00%	132,341,000	20.70%
12/1/2009	-	46,157,000	46,157,000	0.00%	153,979,000	30.00%
12/1/2008	-	47,307,231	47,307,231	0.00%	144,383,846	32.76%

We have omitted the IMRF required supplemental information as this is shown in the county financial statements for the period prior to SWALCO changing to their own account and discussed in greater detail in Note 7 of these financial statements.

**SOLID WASTE AGENCY OF LAKE COUNTY
ILLINOIS MUNICIPAL RETIREMENT FUND**

SCHEDULE OF CHANGES IN THE AGENCY'S NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS

As of Measurement Date

	2015
Total pension liability	
Service cost	\$ 48,289
Interest	150,456
Differences between expected and actual experience	(113,552)
Changes of assumptions	76,878
Benefit payments, including refunds of member contributions	(2,077)
Net change in total pension liability	159,994
Total pension liability - beginning	1,982,980
Total pension liability - ending (a)	\$ 2,142,974
Plan fiduciary net position	
Employer contributions	\$ 29,569
Employee contributions	16,266
Net investment income	169,025
Benefit payments, including refunds of member contributions	(2,077)
Other (net transfer)	(145,009)
Net change in plan fiduciary net position	67,774
Plan fiduciary net position - beginning	2,749,032
Plan fiduciary net position - ending (b)	\$ 2,816,806
Employer's net pension liability (asset) - ending (a) - (b)	\$ (673,832)
Plan fiduciary net position as a percentage of the total pension liability	131.44%
Covered-employee payroll	\$ 361,475
Employer's net pension liability as a percentage of covered-employee payroll	-186.41%

Notes to Schedule:

The Agency implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

See independent auditor's report and notes to required supplementary information.

**SOLID WASTE AGENCY OF LAKE COUNTY
ILLINOIS MUNICIPAL RETIREMENT FUND**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

As of November 30, 2015

	2015
Actuarially determined contribution	\$ 8,188
Contributions in relation to the actuarially determined contribution	(8,188)
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 379,623
Contributions as a percentage of covered-employee payroll	2.16%

Notes to Schedule:

The Agency implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are are 11 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

**SOLID WASTE AGENCY OF
LAKE COUNTY, ILLINOIS**

Gurnee, Illinois

COMMUNICATION TO THOSE CHARGED
WITH GOVERNANCE AND MANAGEMENT

As of and for the Year Ended November 30, 2015

SOLID WASTE AGENCY OF LAKE COUNTY, ILLINOIS

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**REQUIRED COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS
IDENTIFIED IN THE AUDIT TO THOSE CHARGED WITH GOVERNANCE**



BAKER TILLY

Baker Tilly Virchow Krause, LLP
Ten Terrace Ct, PO Box 7398
Madison, WI 53707-7398
tel 608 249 6622
fax 608 249 8532
bakertilly.com

Board of Directors
Solid Waste Agency of Lake County, Illinois
Gurnee, Illinois

In planning and performing our audit of the financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO) as of and for the year ended November 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinion on the effectiveness of its internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 7, 2016

OTHER COMMUNICATIONS TO THOSE CHARGED WITH GOVERNANCE

TWO WAY COMMUNICATION REGARDING YOUR AUDIT

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - > Identify types of potential misstatements.
 - > Consider factors that affect the risks of material misstatement.
 - > Design tests of controls, when applicable, and substantive procedures.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs.

- c. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the Board of Directors has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- e. Have you had any significant communications with regulators or grantor agencies?
- f. Are there other matters that you believe are relevant to the audit of the financial statements?

TWO WAY COMMUNICATION REGARDING YOUR AUDIT (cont.)

Also, is there anything that we need to know about the attitudes, awareness, and actions of SWALCO concerning:

- a. SWALCO's internal control and its importance in the entity, including how the Board of Directors oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during the spring to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This timing may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

REQUIRED COMMUNICATIONS BY THE AUDITOR TO THOSE CHARGED WITH GOVERNANCE



BAKER TILLY

Baker Tilly Virchow Krause, LLP
Ten Terrace Ct, PO Box 7398
Madison, WI 53707-7398
tel 608 249 6622
fax 608 249 8532
bakertilly.com

Board of Directors
Solid Waste Agency of Lake County
Gurnee, Illinois

Thank you for using Baker Tilly Virchow Krause, LLP as your auditor.

We have completed our audit of the financial statements of the Solid Waste Agency of Lake County, Illinois (SWALCO) for the year ended November 30, 2015, and have issued our report thereon dated June 7, 2016. This letter presents communications required by our professional standards.

***OUR RESPONSIBILITY UNDER AUDITING STANDARDS
GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA***

The objective of a financial statement audit is the expression of an opinion on the financial statements. We conducted the audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements prepared by management with your oversight are free of material misstatement, whether caused by error or fraud. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit does not relieve management or the Board of Directors of their responsibilities.

As part of the audit we obtained an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. The audit was not designed to provide assurance on internal control or to identify deficiencies in internal control.

OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS

Our responsibility does not extend beyond the audited financial statements identified in this report. We do not have any obligation to and have not performed any procedures to corroborate other information contained in client prepared documents, such as official statements related to debt issues.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you.

Board of Directors
Solid Waste Agency of Lake County

QUALITATIVE ASPECTS OF THE ENTITY'S SIGNIFICANT ACCOUNTING PRACTICES

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the department are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the department changed accounting policies related to financial reporting for pensions by adopting Statement of Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension – an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* in 2015. Accordingly, the accounting change has been reported as a cumulative effect of a change in accounting principle in 2015 since data necessary to restate 2014 was not available. We noted no other transactions entered into by the department during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are depreciation and the net pension asset and related deferrals. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole. We evaluated the key factors and information used to calculate the net pension asset and related deferrals, however we were unable to obtain sufficient information from IMRF to determine that these amounts are reasonable in relation to the financial statements taken as a whole and as a result modified our opinion.

Financial Statement Disclosures

The disclosures in the notes to the financial statements are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has elected to pass on adjusting for the estimated potential liability of SWALCO's proportionate share of the County's Other Post-Employment Benefits (OPEB) liability. The effect of the uncorrected adjustment on the financial statements increases expenses and decreases current year income by \$6,698 and increases liabilities and decreases net position by \$42,493. Management has determined that the effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Board of Directors
Solid Waste Agency of Lake County

CORRECTED AND UNCORRECTED MISSTATEMENTS (cont.)

In addition, the net pension asset resulting from GASB 68 implementation is calculated and recorded by an actuary. The actuary used preliminary plan data to calculate the plan net position, which differed from the final audited plan net position. The difference would decrease the net pension asset by \$284,203. As information is not available to calculate the impact on expenses or deferrals, this is an uncorrected misstatement.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate to the financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter. That letter follows this required communication.

INDEPENDENCE

We are not aware of any relationships between Baker Tilly Virchow Krause, LLP and SWALCO that, in our professional judgment, may reasonably be thought to bear on our independence.

Relating to our audit of the financial statements of SWALCO for the year ended November 30, 2015, Baker Tilly Virchow Krause, LLP hereby confirms that we are, in our professional judgment, independent with respect to SWALCO in accordance with the Code of Professional Conduct issued by the American Institute of Certified Public Accountants. We provided no services to SWALCO other than audit services provided in connection with the audit of the current year's financial statements and the following nonaudit services which in our judgment do not impair our independence.

- > Financial statement preparation
- > Adjusting journal entries

None of these nonaudit services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Board of Directors
Solid Waste Agency of Lake County

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SWALCO's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

RESTRICTION ON USE

This information is intended solely for the use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We welcome the opportunity to discuss the information included in this letter and any other matters. Thank you for allowing us to serve you.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
June 7, 2016

MANAGEMENT REPRESENTATIONS



SOLID WASTE AGENCY OF LAKE COUNTY, IL

June 7, 2016

Baker Tilly Virchow Krause, LLP
Ten Terrace Court
P.O. Box 7398
Madison, WI 53707-7398

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of Solid Waste Agency of Lake County, Illinois (SWALCO) as of November 30, 2015 and 2014 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of SWALCO, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, if any, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.

Antioch	Highland Park	Lindenhurst	Third Lake
Bannockburn	Highwood	Long Grove	Tower Lakes
Beach Park	Island Lake	Mundelein	Vernon Hills
Deer Park	Kildeer	North Barrington	Yolo
Deerfield	Lake Barrington	North Chicago	Wadsworth
Fox Lake	Lake Bluff	Park City	Winnetka
Grayslake	Lake County	Port Barrington	Waukegan
Great Lakes NTC	Lake Forest	Riverwoods	Winthrop Harbor
Green Oaks	Lake Villa	Round Lake	Zion
Gurnee	Lake Zurich	Round Lake Beach	
Hainesville	Libertyville	Round Lake Heights	
Hawthorn Woods	Lincolnshire	Round Lake Park	

- 7 All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8 All material transactions have been recorded in the accounting records and are reflected in the financial statements.
9. We believe the effect of the uncorrected financial statement misstatement for the unrecorded OPEB expense and liability of \$6,698 and \$42,493, respectively, is immaterial to the financial statements as a whole. All other known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
10. There are no known or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
11. Guarantees, whether written or oral, under which the agency is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

12. We have provided you with:
 - a Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of The Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a Management,
 - b Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
16. We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known related parties and all the related party relationships and transactions of which we are aware.

Other

- 18 There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19 We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that you have reported to us.
- 20 The agency has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity
21. We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
22. There are no:
 - a. Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c. Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
- 23 In regards to the nonattest services performed by you listed below, we have 1) accepted all management decisions and performed all management functions; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.
 - a. Financial statement preparation
 - b. Adjusting journal entries

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.
24. SWALCO has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. SWALCO has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
26. The financial statements properly classify all funds and activities.
27. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
28. SWALCO has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.

29. Provisions for uncollectible receivables, if any, have been properly identified and recorded. All write-offs of uncollectible receivables have been identified and recorded.
30. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
31. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
32. We have appropriately disclosed (SWALCO)'s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
33. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
34. We agree with the restatement presented in the current year's financial statements.
35. We assume responsibility for, and agree with, the information provided by the Illinois Municipal Retirement Fund as audited by the KPMG relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

Sincerely,

Solid Waste Agency of Lake County, Illinois

Signed: Ward S. Hub

Signed: _____

Signed: _____

A – 2. Public Officials Liability Insurance Renewal

ISSUE: Secure Public Officials Liability Insurance

RECOMMENDATION: Recommend approval

TIMING: Important

BACKGROUND: Public Officials Liability coverage is secured to protect SWALCO, its directors and employees against any wrongful acts, errors or omissions. SWALCO has maintained this coverage since our inception. This policy is an annual policy with a coverage limit of \$1,000,000 and a \$10,000 deductible. The current policy is due to expire July 24, 2016.

Arthur Gallagher Risk Management Services, our insurance broker, solicited competitive quotes for this policy. RSUI, our current carrier, was the low bid and most comprehensive. The RSUI policy includes a Public Officials Extension endorsement (a significant coverage enhancement typically not provided) which covers third party entities such as volunteer groups (i.e. our CAC committee) and also includes terrorism coverage (this coverage integral to this policy and irrevocable). The annual premium for this policy is \$7,220 (which includes a \$200 service fee).

Based on AJ Gallagher's recommendation, and our review, we request your approval to secure RSUI as our Public Officials Liability insurance provider for 2016-2017.

FISCAL IMPACT: Administration 9200010 object code 72110 Liability Insurance \$7,220.00.

ENCLOSED DOCUMENTS: Coverage Extension Summary

STAFF: Steve Nelson, HCW Engineer and Amy Bartemio, Executive



RSUI Group, Inc.
945 East Paces Ferry Road
Suite 1800
Atlanta, GA 30326-1160
(404) 231-2366

May 12, 2016

Risk Placement Services
Michael Kokonas
550 W. Van Buren Street
Suite 1200
Chicago, IL 60607

ATTENTION: TIM FOODY

RE: Directors and Officers Liability Indication

Submission Number: 326238
Renewal of: NHP663874
Company: RSUI Indemnity Company - (Best rating: A+ XIII)
Insured: Solid Waste Agency of Lake County, IL (SWALCO)
Gurnee, IL

Policy Dates: July 24, 2016 - July 24, 2017

Form: RSG 211003 0609 Directors and Officers Liability Policy - Not For Profit Organization - 2009

Limit: \$1,000,000

Retention (each loss):

Insuring Agreement A:	\$0
Insuring Agreement B:	\$10,000
Insuring Agreement C:	\$10,000
Employment Practices Claim:	\$10,000

Policy Attachments

- RSG 204081 0315 Cap on Losses From Certified Acts of Terrorism
- RSG 214038 0204 Coverage Extension - Public Officials
- RSG 204123 0116 Disclosure Pursuant to Terrorism Risk Insurance Act
- RSG 206071 0204 Exclusion - Prior and or Pending Litigation Backdated - P&P: 7/24/2007
- RSG 206097 0315 Exclusion - Telecommunications Claims
- RSG 204154 0509 HR Loss Prevention Services Notice
- RSG 202049 0609 Illinois Changes
- RSG 203012 0611 Illinois Changes - Cancellation and Nonrenewal
- RSG 212026 0606 Illinois Changes - Pollution Exclusion
- RSG 99043 0604 Illinois Important Information to Policyholders Right to File a Complaint
- RSG 204153 0609 Sublimit - Defense Expenses - Wage and Hour Claims - \$100K/\$10K SIR
- RSG 204113 0210 Sublimit - Defense of Non - Monetary Damages - \$25K/\$50K Agg, \$25K SIR
- RSG 204119 1011 Third Party Liability Coverage - \$25K SIR

Additional Information Required

YE 11/30/2015 Financials

Premium Amount

Premium:	\$7,020.00	
Gross Premium:	\$7,020.00	
Commission:	\$1,404.00	Comm. %: 20.00
Net Due:	\$5,616.00	

Comments:

This quotation for coverage is strictly conditioned upon no material change in the risk occurring between the date of this proposal and the inception date of the proposed policy. It is subject to modification or withdrawal by the Company if any new, corrected or updated information becomes known which relates to any proposed Insured's claims history or risk exposure or which could otherwise change the underwriting evaluation of any proposed Insured, and the Company, in its sole discretion, determines that the terms of this quotation are no longer appropriate.

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

This Indication is valid until 07/24/2016.

We greatly appreciate your business.

Brian Wortham





RSUI Group, Inc.
945 East Paces Ferry Road
Suite 1800
Atlanta, GA 30326-1160
(404) 231-2366

OFFER OF TERRORISM COVERAGE

In accordance with the Terrorism Risk Insurance Act, we are required to offer the insured coverage for losses resulting from an act of terrorism, not otherwise excluded by this policy and as covered by the Terrorism Risk Insurance Act. All other policy provisions will apply to coverage for such act of terrorism. The insured must choose whether or not to pay the premium described below under **DISCLOSURE OF PREMIUM** for coverage for acts of terrorism that are **certified by the Secretary of the Treasury** as covered acts under the Terrorism Risk Insurance Act, or not to pay the premium, and reject this offer of coverage at the time of binding.

In any case, if the insured rejects terrorism coverage in any scheduled underlying policy, this policy is written to exclude terrorism.

If the premium shown in the **DISCLOSURE OF PREMIUM** is not collected and the insured does not reject coverage for terrorism this policy will be issued excluding acts of terrorism.

DISCLOSURE OF PREMIUM

If you accept this offer, the portion of your premium for the policy term attributable to coverage for all acts of terrorism covered under this policy including terrorist acts certified under the Act is
\$ 0.00

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses that exceed the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

CAP INSURER PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the Insurer has met our Insurer deductible under the Terrorism Risk Insurance Act, the Insurer will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

Memo to the Board of Directors

June 16, 2016

A – 3. Elections to the Executive Committee

ISSUE: Whether to elect the four nominees to the Executive Committee for two year terms with an effective date of 2016 to serve until new elections are held for their seats in 2018.

BACKGROUND: The two year terms of four Executive Committee members elected by the Board of Directors expire in April, or until new elections have been held. Following the procedures used in previous years to nominate and elect members of the Executive Committee, information was presented at the April 2016 Board of Directors meeting asking for those interested in serving on the Executive Committee to notify the Executive Director. A subsequent email was sent out asking for nominations as well. The Executive Director did not receive any other nominations except those listed below.

The members of the Executive Committee whose two year terms are expiring are:

Pat Muetz - Gurnee
Glenn Ryback - Wadsworth
Linda Soto - Hainesville
Michael Talbett - Kildeer

All four have indicated a willingness to be elected again for a two year term, and therefore the list of candidates for Executive Committee election for a two year term is:

Pat Muetz - Gurnee
Glenn Ryback - Wadsworth
Linda Soto - Hainesville
Michael Talbett – Kildeer

ENCLOSED DOCUMENTS: None

STAFF: Walter Willis, Executive Director

INFORMATION ITEMS

Memo to the Board of Directors

June 16, 2016

I – 1. Lake County Health Department Report

LAKE COUNTY HEALTH DEPARTMENT &
COMMUNITY HEALTH CENTER
Solid Waste Unit

DATE: June 8, 2016

TO: Walter S. Willis, Executive Director
SWALCO Board of Directors and Alternates

FROM: Michael F. Kuhn, Solid Waste Unit Coordinator

RE: Solid Waste Inspection/Enforcement Program Report

Countryside Landfill

Improvements to the gas collection system were completed during May that including replacing six gas collection wells, drilling one new well and installing associated air and forcemain lines. The replacement wells were part of the preparatory work that needs to be completed prior to placing final cover over part the southeast area in Cell 5 including the outer sides-slopes. The final cover work is expected to begin mid-July. Approximately 4,000 scfm of landfill gas is being used to fuel the turbines at the Genco plant as the repairs to the compressor and motor were completed and the operations resumed the first week of June. During the month of May, the landfill received 79,848 tons of waste and hauled out 1,117,134 gallons of leachate. Unpermitted wastes such as appliances, tires, batteries, landscape wastes and electronics were not found in incoming loads or at the fill face during routine inspections. There were three odor complaints reported in May and two, to date, in June. Kelvin Kirkman, Landfill Manager, resigned his position, last day being June 8th. Mike Hey, District Manager, will resume responsibilities for the day to day operations until a replacement is found.

Advanced Disposal Services Zion Landfill

There are no construction projects occurring at the site at this time. Routine operation and maintenance activities are ongoing that included placing addition cover soils as needed over the east side-slope of cell 7 for gas control and a major rebuilt of diesel engine #1 at the co-gen plant. The remaining four operating diesel engines are using approximately 1894 scfm of landfill gas. The flare burns a similar volume of gas. The USDA's bird control program remains in effect. The first lift across the main footprint of the new Cell 9 has been completed. All transfer trailers and direct haul vehicles are utilizing the cell. Unpermitted wastes such as appliances, tires, batteries, landscape wastes and electronics were not found in incoming loads or at the fill face during routine inspections. During the month of May, 69,518 tons of wastes were received. 1,897,627 gallons of leachate was hauled off-site. Thirteen odor complaints were received in May and seven, to date, in June. Most of the complaints are related to garbage odors. A new odor neutralizer system (ONS) will be installed along the east side of Cell 9. The new

ONS will run parallel to the existing system which sits atop the berm just west of Kenosha Road. The new system will be attached to a "permanent" litter fence that is scheduled to be installed this month. The existing ONS is working as designed.

Groot Industries MSW Transfer Station

The volume of wastes received at the facility has been steadily increasing since operations began in January. Current volumes are approximately 550 tons/day, up approximately 100 tons/day since the last report. Litter control has been good and no significant odor has been noticed outside of the building. Inspections are being conducted twice per month.

ARS Acquisitions, LLC Construction and Demolition Debris Processing / Transfer Facility

The Zion facility is basically closed. The scale and office trailer have been removed. There is materials on-site that need to be processed and delivered to their respective destinations but no new materials are being brought into the site. The new facility, located at 345 Lakewood Avenue in Waukegan, is still being developed. The company hopes to open the facility in late August or early September 2016.

ECS Roofing Professionals, Inc. Construction and Demolition Debris Processing / Transfer Facility

The owner of ECS, located at 3920 Hawthorn Court in Waukegan, intends to accept, consolidate and transfer roofing shingles from his site to the Excel Facility in Kenosha. The Illinois EPA issued a development permit on January 4th. The facility has not applied for an operating permit at this time.

Household Chemical Waste Collection Facilities

SWALCO's facility was found to be clean and well managed. The wastes were being stored in their respective bays designated by type and waste characteristics. Record requirements were being complied with. The Lincolnshire/Riverwoods Fire Protection District was found to be managing their facility appropriately.

Compost Facilities and Landscape Waste Transfer Stations

Activities at the compost facilities and transfer stations are beginning to increase in concert with spring landscaping work. Midwest Organics accepted waste throughout the winter, including food scraps at a rate of approximately 200 - 250 cubic yards/week. All of the compost sites and transfer stations are in compliance with the exception of the Nu-Earth Organics facility in Waukegan. The facility has not accepted wastes since the summer of 2013 but continues to manage materials that remain on site. A consent order was entered into court on June 3rd.

Photos of the Perricone Brothers Compost Facility are attached.

LPC #097- Lake County
FOS File

DIGITAL PHOTOGRAPH PHOTOCOPIES



Perricone Brothers Compost Facility near Volo



Water line used to maintain desired moisture levels in the windrows

I-2 . Compost Bin, Rain Barrel and Native Plant Sale 2016 Summary

BACKGROUND: With renewed interest in promoting backyard composting as a strategy to help achieve a 60% recycling rate, and a renewed interest in gardening and homesteading, the Agency, in partnership with the Lake County Stormwater Management Commission and Lake County Forest Preserve District, again hosted a one day-compost bin, rain barrel and native plant sale. The sale event occurred on Saturday, May 10 from 9 a.m. to 3 p.m. at Independence Grove Forest Preserve in Libertyville. There was no increase in cost of the products to the public. Compost bins were sold for \$50.00 each and rain barrels were sold for \$60.00 each. The products are attractive and made from recycled materials. Tools and accessories were sold for \$10.00 and \$15.00 each. It was a wonderful opportunity for residents, as all items were half of the retail cost.

The event was cross promoted by all three organizations. Thousands of flyers were sent out in water bills. Thank you to the Lake County Public Works. Additional flyers were handed out at a variety of community events and programs, ads and articles appeared on websites, newsletters and e-news, in local newspapers and media, and information was also included in two sections of the Forest Preserves' *Horizons*, which were sent out to all county residents, and a special sale event brochure was sent to all on the mailing list. Info and flyers were sent to SWALCO lists and members, Stormwater lists, Forest Preserve lists, Illinois Legislators, County Board members and others. Additionally, a wide variety of other promotional efforts were launched, including special displays, etc.

Because we coordinated and managed all aspects of the event ourselves, the vendor, EnviroWorld Corporation, offered us a donation of \$10.00 for every bin and barrel we purchased and \$2.00 for each accessory. Our purchases this year of 200 Compost Bins, 300 Rain Barrels, 75 Aerators, and 50 Temperature Gauges will generate \$5,250.00 for the Agency. We will continue to sell the "after-the sale inventory" in house at both SWALCO and Stormwater offices. Additionally, we sold 46 kitchen pails for \$10.00 each which we purchased at around \$3.00 each, so the revenue from that would be an additional \$322.00, so revenue for this year's event and after sales, will be just under \$6,000. During the day we welcomed several hundred visitors and sold approximately half the inventory. Please do help us get the word out so we can continue to sell them over the rest of the year.

SWALCO and Stormwater staffed the event. We provided how-to demos, including a semi-formal Composting 101 workshop, and staff and volunteers were there to answer questions throughout the day. Thanks to staff members, family and friends who helped out in areas of distribution, pick-up and sales. Thanks also to all of our member communities that helped promote this and to those communities who offered a rebate to their residents who purchased a bin or barrel from us, including the Villages of Grayslake and Lindenhurst. We did have several communities, including Village of Wauconda, Village of Round Lake Park, and University of Illinois Ext. in Grayslake who have made barrels available for sale at their Village Halls/offices for residents. If any members are interested in having products available for their residents, purchasing some of the surplus rain barrels for their community, or are interested in offering a rebate next year, please contact Merleanne to make arrangements. We encourage you to consider offering some of these other services and resources to and for your residents.

A follow-up meeting will be planned with Forest Preserves and Stormwater Management Commission, to recap and begin planning for next year's event with hopes of adding some special elements for sale visitors including fun, educational programs for adults, children and families.

ENCLOSED DOCUMENTS: After-Sale Flyer

STAFF: Merleanne Rampale, Public Information and Education Director



STORMWATER MANAGEMENT COMMISSION

Rain Barrel, Compost Bin & Accessories Available

Interested in saving on your water bill, growing a healthier, greener and more bountiful garden, while helping the environment?
Great value! Limited numbers. Get them now while supplies are available!



FreeGarden RAIN® 55 Gallon Rain Barrel

- Unique square shape and attractive neutral color
- Large 55 gallon (208 liter) capacity
- Easily accommodates existing downspouts
- Includes overflow spout and 4' hose to easily link two or more barrels for multi-barrel installations or to redirect overflow away from foundations
- Elevated spigot accommodates watering cans
- Insect resistant stainless steel filter

Rain Barrel

By harvesting rainwater, you can:

- Lower your water bill
- Preserve your well water
- Use water on your own schedule
- Improve your soil's pH balance
- Reduce erosion, flooding and storm water run-off
- Help protect rivers, streams, lakes and the environment

FreeGarden EARTH Compost Bin

- Large 11 cubic foot/311 liter capacity
- Manufactured of 100% recycled content
- Oversized easy-access top opening
- Strong unibody construction
- Fits easily in an average sedan
- Reduce your waste

Compost Bin

Through backyard composting, you can:

- Make your own soil amendment
- Go chemical & fertilizer free
- Improve and enrich your soil and gardens, lawns, trees, shrubs & houseplants
- Help plants resist disease
- Help your household and municipality save on collection and disposal

Exact Cash only. Set up an appointment to pick up yours.

Contact:

SWALCO : (847) 336-9340

STORMWATER MANAGEMENT COMMISSION: : (847) 377-7700

1-3. 1st Quarter 2016 Recycling and Per Ton Payment Report

BACKGROUND: Attached are the reported tabulations of residential recyclables and waste for the first quarter of 2016. Tonnage totals are reported by quarter for the calendar year. The information is provided by refuse hauling companies servicing residential customers in Lake County.

The 2014 and 2015 tonnage figures are listed for comparison purposes. The first three months of 2016 illustrate that 13,225.93 tons of recyclables were collected from Lake County communities. Compared to previous year's first quarter totals (12,905.95 tons), Lake County communities have experienced a 2.5% increase in recycling volume as compared to the same period of 2015. However, total waste and recycling generation rates have also increased by 8.3% during this same period with 40,212.50 tons collected during the first quarter for 2016 vs. 36, 872.54 ton during first quarter of 2015. Overall, the volume of both waste and recycling collected during this period has increased by 7% from the same period of 2015.

Staff attributes some of the increase over the previous year to a rebound from the extreme weather conditions experienced in the first quarter of 2015 which contributed to lower then average set outs of waste and recyclables during that time, along with changes in a few members hauling service providers (Antioch, North Barrington, Port Barrington and Tower Lakes) .

In March it was reported by Groot and Lakeshore Recycling Services that they had delivering recyclables from some of the municipalities to their sorting facilities vs. delivering them to Waste Management Recycle America (WMRA). This resulted in 661.23 tons (6%) of the recyclables being diverted away from WMRA. Staff will continue to monitor this as it may impact our agreement with WMRA.

Market values, for most recyclable commodities are beginning to show some improvement. This trend appears to be continuing into the second quarter and may lead to a possible per ton rebate in June.

ENCLOSED DOCUMENTS: Municipal Summary Table – 1st Quarter 2016 Recycling Summary; Municipal Summary Table – 1st Quarter 2016 Waste Disposal Summary; Waste and Recycling Comparison Table 1st Quarter 2014 - 2016; SWALCO Members Per Ton Payment Summary 1st Qtr. 2016, Quarterly Single Stream Value Calculation for SWALCO Contract Rebate Q1 2016.

STAFF: Peter Adrian, Recycling Coordinator.

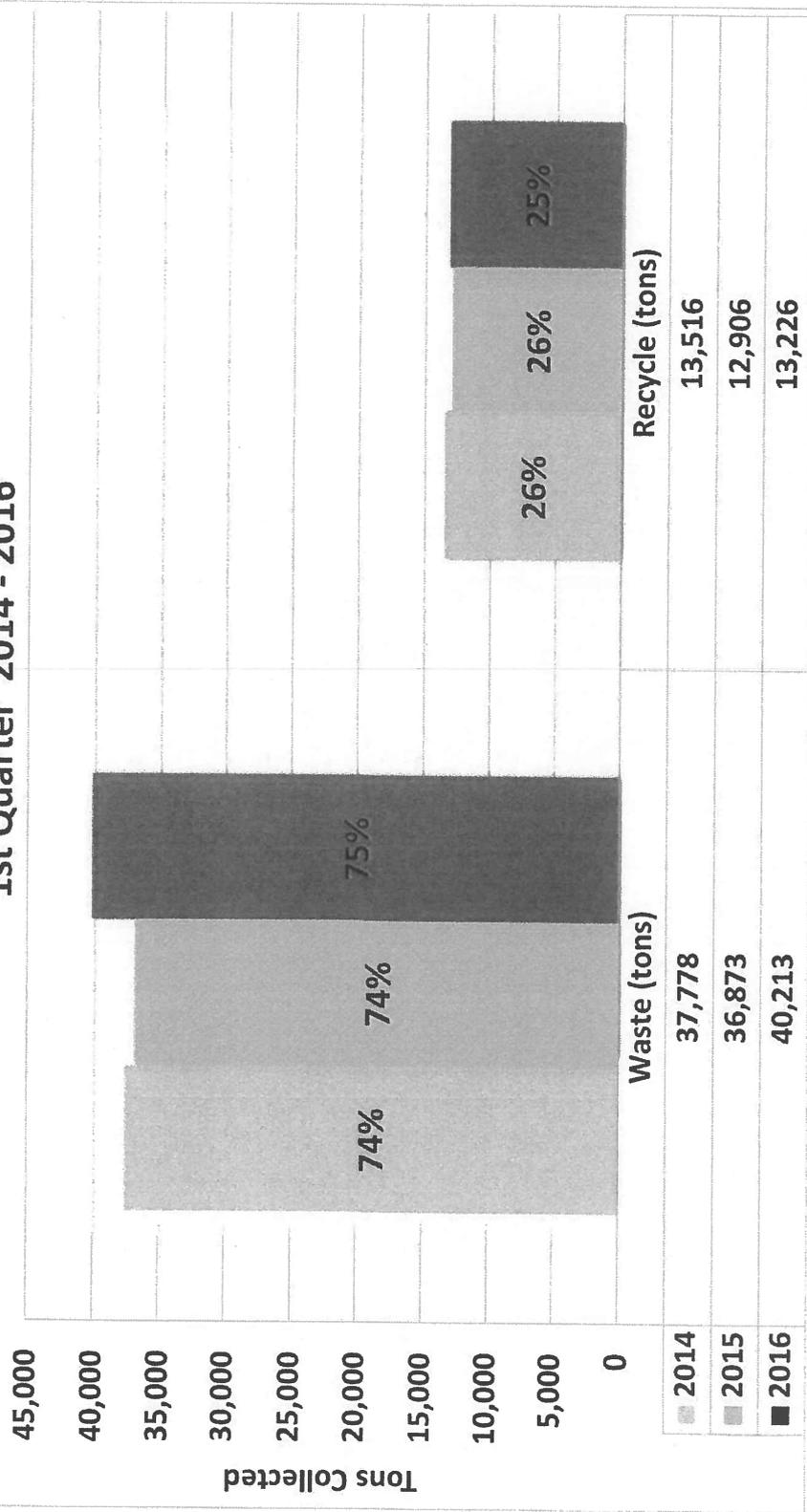
Solid Waste Agency of Lake County
Municipal Recycling Summary
1st Quarter 2016
(as reported by haulers)

MUNICIPALITY	SERVICE PROVIDER	Jan 2016	Feb 2016	Mar 2016	1st Qtr 2016 TOTAL	1st Qtr 2015 TOTAL	1st Qtr 2014 TOTAL
ANTIOCH	Groot Industries	97.48	85.92	129.00	312.40		
ANTIOCH	Waste Management, Inc. Antioch					248.80	296.20
ANTIOCH	TOTAL	97.48	85.92	129.00	312.40	248.80	296.20
BANNOCKBURN	Lakeshore Recycling Systems	6.30	6.29	6.78	19.37	20.75	14.71
BEACH PARK	Advanced Disposal Services. Waukegan	89.45	73.11	96.41	258.97	174.05	
BEACH PARK	Waste Management, Inc. Antioch						6.30
BEACH PARK	Groot Industries						90.86
BEACH PARK	TOTAL	89.45	73.11	96.41	258.97	174.05	97.16
DEERFIELD	Waste Management, Inc. Wheeling	190.81	167.55	211.58	569.94	552.17	664.66
DEER PARK	Groot Industries	29.46	26.69	32.84	88.99	109.60	99.63
FOX LAKE	Waste Management, Inc. Antioch	36.90	33.40	46.50	116.80	134.70	158.80
GRAYSLAKE	Waste Management, Inc. Antioch	140.70	119.30	143.40	403.40	466.40	553.80
GRAYSLAKE Drop-Off	Waste Management, Inc. Antioch	5.30	4.30	6.50	16.10	12.80	14.94
GRAYSLAKE	TOTAL	146.00	123.60	149.90	419.50	479.20	568.74
GREEN OAKS	Groot Industries	42.73	37.49	41.69	121.91	110.82	117.36
GURNEE	Waste Management, Inc. Antioch	163.60	153.40	185.60	502.60	579.70	717.60
HAINESVILLE	Advanced Disposal Services. Waukegan	21.37	18.16	20.93	60.46	61.54	66.99
HAWTHORN WOODS	Waste Management, Inc. Wheeling	89.35	83.31	91.12	263.78	286.57	318.99
HIGHLAND PARK	Advanced Disposal Services. Northbrook	347.53	310.13	334.79	992.45	1,036.00	1,052.91
HIGHWOOD	Advanced Disposal Services. Northbrook	35.02	33.89	43.48	112.39	89.35	83.14
ISLAND LAKE	Waste Management, Inc. Antioch	71.12	55.07	48.39	174.58	215.30	251.60
KILDEER	Waste Management, Inc. Wheeling	45.45	39.52	50.30	135.27	136.79	156.30
LAKE BARRINGTON	Waste Management, Inc. Antioch	32.00	29.00	34.00	95.00	109.80	127.70
LAKE BLUFF	Groot Industries	71.50	66.82	69.95	208.27	188.66	216.73
LAKE BLUFF Drop-Off	Groot Industries	4.60	4.28	4.38	13.26	14.88	13.26
LAKE BLUFF	TOTAL	76.10	71.10	74.33	221.53	203.54	229.99
LAKE FOREST	Municipal Collection	247.48	211.26	215.49	674.23	677.70	678.17
LAKE VILLA	Waste Management, Inc. Antioch	40.70	27.10	31.60	99.40	115.60	135.00
LAKE ZURICH	Waste Management, Inc. Wheeling	181.62	165.87	197.13	544.62	609.11	635.33
LIBERTYVILLE	Groot Industries	192.64	168.74	192.23	553.61	511.59	536.73
LINCOLNSHIRE	Waste Management, Inc. Wheeling	70.24	53.22	82.24	205.70	175.15	238.39
LINDENHURST	Groot Industries	126.25	129.75	109.91	365.91	358.02	360.23
LONG GROVE	Waste Management, Inc. Wheeling	98.45	82.47	73.83	254.75	251.30	295.73
MUNDELEIN	Groot Industries	230.95	188.09	250.29	669.33	644.03	662.07
NORTH BARRINGTON	Waste Management, Inc. Antioch					103.80	120.60
NORTH BARRINGTON	Praireland Disposal & Recycling Services	35.12	39.45	37.25	111.82		
NORTH BARRINGTON	TOTAL	35.12	39.45	37.25	111.82	103.80	120.60
NORTH CHICAGO	Advanced Disposal Services. Waukegan	22.97	22.86	27.90	73.73	79.93	191.34
GLNTC Housing	Advanced Disposal Services. Waukegan	33.93	29.36	35.21	98.50	99.16	82.75
GLNTC Housing	Waste Management, Inc. Antioch						
GLNTC Housing	TOTAL	33.93	29.36	35.21	98.50	99.16	82.75
PARK CITY	Groot Industries	7.83	9.91	8.14	25.88	24.88	25.44
PORT BARRINGTON	Waste Management, Inc. Antioch					23.60	28.20
PORT BARRINGTON	Praireland Disposal & Recycling Services	17.94	16.11	17.30	51.35		
PORT BARRINGTON	TOTAL	17.94	16.11	17.30	51.35	23.60	28.20
RIVERWOODS	Lakeshore Recycling Systems	50.09	38.65	40.89	129.63	122.75	87.60
ROUND LAKE	Waste Management, Inc. Antioch	103.90	87.60	105.90	297.40	344.00	410.90
ROUND LAKE BEACH	Waste Management, Inc. Antioch	145.30	119.00	134.20	398.50	461.30	558.10
ROUND LAKE HEIGHTS	Groot Industries	17.82	12.82	14.41	45.05	44.54	54.03
ROUND LAKE PARK	Advanced Disposal Services. Waukegan						
ROUND LAKE PARK	Groot Industries	26.11	25.13	35.91	87.15	74.81	77.25
ROUND LAKE PARK	Waste Management, Inc. Antioch	0.00	0.00	0.00	0.00	73.60	87.90
ROUND LAKE PARK	TOTAL	26.11	25.13	35.91	87.15	148.41	165.15
THIRD LAKE	Waste Management, Inc. Antioch	9.00	7.50	7.20	23.70	27.50	31.40
TOWER LAKES	Waste Management, Inc. Antioch					27.00	32.10
TOWER LAKES	Praireland Disposal & Recycling Services	12.41	13.61	11.02	37.04		
TOWER LAKES	TOTAL	12.41	13.61	11.02	37.04	27.00	32.10
VERNON HILLS	Advanced Disposal Services. Waukegan	161.98	161.21	164.51	487.70	502.18	486.22
VOLO	Groot Industries	40.36	37.14	33.18	110.68	97.82	77.07
WADSWORTH	Groot Industries	21.01	18.50	24.02	63.53	56.21	84.75
WADSWORTH	Waste Management, Inc. Antioch	0.60	0.50	0.60	1.70	2.00	2.30
WADSWORTH	Praireland Disposal & Recycling Services						0.97
WADSWORTH	Lakes Disposal	2.50	2.70	2.60	7.80	6.90	6.88
WADSWORTH	Advanced Disposal Services. Waukegan	9.71	5.90	8.69	24.30	9.59	2.38
WADSWORTH	TOTAL	33.82	27.60	35.91	97.33	74.70	97.28
WAUCONDA	Waste Management, Inc. Antioch	64.40	56.50	65.80	186.70	215.70	252.60
WAUKEGAN	Advanced Disposal Services. Waukegan	397.21	365.81	433.14	1,196.16	951.15	624.15
WINTHROP HARBOR	Groot Industries	60.28	39.80	42.78	142.86	138.56	137.01
ZION	Advanced Disposal Services. Waukegan	107.05	87.39	117.04	311.48	305.09	189.48
LAKE COUNTY	Groot Industries	207.95	181.07	237.02	626.04	447.08	390.85
LAKE COUNTY	Advanced Disposal Services. Waukegan	18.62	14.57	16.02	49.21	16.49	34.49
LAKE COUNTY	Lakeshore Recycling Systems	7.69	5.17	4.85	17.71		
LAKE COUNTY	Praireland Disposal & Recycling Services	40.79	40.04	42.30	123.13		
LAKE COUNTY	Waste Management, Inc. Antioch	192.20	169.90	182.90	545.00	630.10	743.00
LAKE COUNTY	Waste Management, Inc. Wheeling	43.08	36.36	39.25	118.69	129.03	132.56
LAKE COUNTY	TOTAL	510.33	447.11	522.34	1,479.78	1,222.70	1,300.90
TOTALS		4,566.85	4,018.69	4,640.39	13,225.93	12,905.95	13,516.45

**Solid Waste Agency of Lake County
Municipal Waste Disposal Summary
1st Quarter 2016
(as reported by haulers)**

MUNICIPALITY	SERVICE PROVIDER	Jan 2016	Feb 2016	Mar 2016	1st Qtr 2016 TOTAL	1st Qtr 2015 TOTAL	1st Qtr 2014 TOTAL
ANTIOCH	Groot Industries	290.85	273.83	383.80	948.48		
ANTIOCH	Waste Management, Inc. Antioch					592.50	633.00
ANTIOCH	TOTAL	290.85	273.83	383.80	948.48	592.50	633.00
BANNOCKBURN	Lakeshore Recycling Systems	38.10	25.14	25.50	88.74	71.46	78.42
BEACH PARK	Advanced Disposal Services. Waukegan	392.54	341.47	450.85	1,184.86	917.40	
BEACH PARK	Waste Management, Inc. Antioch						50.20
BEACH PARK	Groot Industries						430.04
BEACH PARK	TOTAL	392.54	341.47	450.85	1,184.86	917.40	480.24
DEERFIELD	Waste Management, Inc. Wheeling	341.64	330.37	432.73	1,104.74	1,059.73	1,057.68
DEER PARK	Groot Industries	85.97	73.35	98.34	257.66	250.30	231.11
FOX LAKE	Waste Management, Inc. Antioch	98.50	102.90	141.60	343.00	372.80	396.70
GRAYSLAKE	Waste Management, Inc. Antioch	296.40	310.40	339.80	946.60	1,028.50	1,087.20
GRAYSLAKE Drop-Off	Waste Management, Inc. Antioch	0.00	0.00	0.00	0.00	0.00	0.00
GRAYSLAKE	TOTAL	296.40	310.40	339.80	946.60	1,028.50	1,087.20
GREEN OAKS	Groot Industries	93.57	89.35	88.64	271.56	252.75	357.35
GURNEE	Waste Management, Inc. Antioch	364.90	370.50	415.70	1,151.10	1,252.00	1,318.00
HAINESVILLE	Advanced Disposal Services. Waukegan	67.16	59.14	80.67	206.97	175.13	159.07
HAWTHORN WOODS	Waste Management, Inc. Wheeling	212.97	189.69	199.81	602.47	603.72	588.86
HIGHLAND PARK	Advanced Disposal Services. Northbrook	447.52	437.69	498.40	1,383.61	1,482.00	1,433.14
HIGHWOOD	Advanced Disposal Services. Northbrook	102.62	98.98	123.25	324.85	274.05	250.24
ISLAND LAKE	Waste Management, Inc. Antioch	174.14	155.97	151.62	481.73	469.50	494.00
KILDEER	Waste Management, Inc. Wheeling	98.39	75.26	101.04	274.69	282.24	320.07
LAKE BARRINGTON	Waste Management, Inc. Antioch	85.60	81.10	83.90	250.60	273.10	291.50
LAKE BLUFF	Groot Industries	104.83	113.53	112.28	330.64	317.58	295.61
LAKE BLUFF Drop-Off	Groot Industries	8.69	7.99	12.04	28.72	35.56	34.65
LAKE BLUFF	TOTAL	113.52	121.52	124.32	359.36	353.14	330.26
LAKE FOREST	Municipal Collection	512.57	469.22	493.72	1,475.51	1,450.57	1,345.66
LAKE VILLA	Waste Management, Inc. Antioch	56.00	50.70	63.10	169.80	185.20	197.90
LAKE ZURICH	Waste Management, Inc. Wheeling	428.29	386.60	503.20	1,318.09	1,169.41	1,373.89
LIBERTYVILLE	Groot Industries	359.93	329.78	362.77	1,052.48	992.23	1,231.06
LINCOLNSHIRE	Waste Management, Inc. Wheeling	149.98	112.14	165.17	427.29	432.22	510.81
LINDENHURST	Groot Industries	338.28	399.88	340.68	1,078.84	1,010.66	1,000.07
LONG GROVE	Waste Management, Inc. Wheeling	261.43	235.43	217.91	714.77	690.56	705.64
MUNDELEIN	Groot Industries	594.81	543.51	712.41	1,850.73	1,699.69	1,610.54
NORTH BARRINGTON	Waste Management, Inc. Antioch					288.10	296.90
NORTH BARRINGTON	Praireland Disposal & Recycling Services	82.44	88.30	85.46	256.20		
NORTH BARRINGTON	TOTAL	82.44	88.30	85.46	256.20	288.10	296.90
NORTH CHICAGO	Advanced Disposal Services. Waukegan	316.71	313.69	415.10	1,045.50	993.12	919.67
GLNTC Housing	Advanced Disposal Services. Waukegan	64.65	59.01	80.18	203.84	188.63	214.03
GLNTC Housing	Waste Management, Inc. Antioch						
GLNTC Housing	TOTAL	64.65	59.01	80.18	203.84	188.63	214.03
PARK CITY	Groot Industries	24.88	30.59	28.01	83.48	77.03	76.00
PORT BARRINGTON	Waste Management, Inc. Antioch					64.30	68.60
PORT BARRINGTON	Praireland Disposal & Recycling Services	59.36	57.14	57.56	174.06		
PORT BARRINGTON	TOTAL	59.36	57.14	57.56	174.06	64.30	68.60
RIVERWOODS	Lakeshore Recycling Systems	119.64	106.32	123.24	349.20	309.68	278.46
ROUND LAKE	Waste Management, Inc. Antioch	308.30	316.80	344.00	969.10	1,053.80	1,126.40
ROUND LAKE BEACH	Waste Management, Inc. Antioch	408.20	416.00	502.60	1,326.80	1,442.80	1,536.40
ROUND LAKE HEIGHTS	Groot Industries	76.24	53.84	60.19	190.27	179.60	192.24
ROUND LAKE PARK	Advanced Disposal Services. Waukegan						
ROUND LAKE PARK	Groot Industries	105.90	97.41	142.62	345.93	278.98	289.15
ROUND LAKE PARK	Waste Management, Inc. Antioch	0.00	0.00	0.00	0.00	149.90	159.90
ROUND LAKE PARK	TOTAL	105.90	97.41	142.62	345.93	428.88	449.05
THIRD LAKE	Waste Management, Inc. Antioch	22.10	24.60	34.30	81.00	88.00	93.60
TOWER LAKES	Waste Management, Inc. Antioch					77.80	81.20
TOWER LAKES	Praireland Disposal & Recycling Services	27.42	29.12	27.52	84.06		
TOWER LAKES	TOTAL	27.42	29.12	27.52	84.06	77.80	81.20
VERNON HILLS	Advanced Disposal Services. Waukegan	438.41	430.10	515.78	1,384.29	1,394.42	1,355.54
VOLO	Groot Industries	107.34	119.27	100.88	327.49	292.71	274.38
WADSWORTH	Groot Industries	63.06	61.02	78.37	202.45	192.01	380.73
WADSWORTH	Waste Management, Inc. Antioch	1.70	1.60	2.00	5.30	5.90	3.00
WADSWORTH	Praireland Disposal & Recycling Services						3.14
WADSWORTH	Lakes Disposal	7.30	6.70	7.10	21.10	20.50	17.24
WADSWORTH	Advanced Disposal Services. Waukegan	24.53	18.06	25.03	67.62	73.58	25.69
WADSWORTH	TOTAL	96.59	87.38	112.50	296.47	291.99	429.80
WAUCONDA	Waste Management, Inc. Antioch	165.60	156.00	199.40	521.00	567.60	606.00
WAUKEGAN	Advanced Disposal Services. Waukegan	1,575.51	1,524.41	1,784.74	4,884.66	4,361.47	4,347.62
WINTHROP HARBOR	Groot Industries	168.11	128.37	133.25	429.73	412.41	498.33
ZION	Advanced Disposal Services. Waukegan	561.68	551.66	672.06	1,785.40	1,413.26	1,549.96
LAKE COUNTY	Groot Industries	990.77	913.37	1,174.31	3,078.45	1,682.39	1,643.91
LAKE COUNTY	Advanced Disposal Services. Waukegan	103.17	84.80	92.66	280.63	137.73	348.03
LAKE COUNTY	Lakeshore Recycling Systems	18.29	17.34	16.73	52.36		
LAKE COUNTY	Praireland Disposal & Recycling Services	95.10	94.92	97.51	287.53		
LAKE COUNTY	Waste Management, Inc. Antioch	1,036.30	984.10	1,168.80	3,189.20	3,473.00	3,598.40
LAKE COUNTY	Waste Management, Inc. Wheeling	112.32	98.82	106.18	317.32	312.96	311.34
LAKE COUNTY	TOTAL	2,355.95	2,193.35	2,656.19	7,205.49	5,606.08	5,901.68
TOTALS		13,090.71	12,447.28	14,674.51	40,212.50	36,872.54	37,778.27

Lake County Residential Waste & Recycling Comparison 1st Quarter 2014 - 2016



SWALCO PER TON PAYMENT SUMMARY
1st QUARTER 2016
 (as reported by haulers)

Participating Members & Townships	1st Qtr. 2016 TONS TO WMIRA			Tons Delivered to other MRF's	Total Tons Eligible For Payment	Total Per Ton Payment	Payment With County and SWALCO Portion
	Jan	Feb	Mar				
ANTIOCH*	97.48	85.92	50.14	78.86	233.54	\$ -	\$ -
BANNOCKBURN*	6.30	6.29	-	6.78	12.59	\$ -	\$ -
BEACH PARK*	89.45	73.11	96.41		258.97	\$ -	\$ -
DEERFIELD*	190.81	167.55	211.58		569.94	\$ -	\$ -
EIA TOWNSHIP*	43.08	36.36	39.25		118.69	\$ -	\$ -
FOX LAKE*	36.90	33.40	46.50		116.80	\$ -	\$ -
GRAYSLAKE*	146.00	123.60	149.90		419.50	\$ -	\$ -
GREEN OAKS*	42.73	37.49	11.33	30.36	121.91	\$ -	\$ -
GURNEE*	163.60	153.40	185.60		502.60	\$ -	\$ -
HAINESVILLE*	21.37	18.16	20.93		60.46	\$ -	\$ -
HAWTHORN WOODS*	89.35	83.31	91.12		263.78	\$ -	\$ -
HIGHLAND PARK*	347.53	310.13	-	334.79	992.45	\$ -	\$ -
ISLAND LAKE*	71.12	55.07	48.39		174.58	\$ -	\$ -
KILDEER*	45.45	39.52	50.30		135.27	\$ -	\$ -
LAKE BARRINGTON*	32.00	29.00	34.00		95.00	\$ -	\$ -
LAKE BLUFF*	76.10	71.10	74.33		221.53	\$ -	\$ -
LAKE COUNTY						\$ -	\$ -
LAKE VILLA*	40.70	27.10	31.60		99.40	\$ -	\$ -
LAKE ZURICH*	181.62	165.87	197.13		544.62	\$ -	\$ -
LIBERTYVILLE*	192.64	168.74	192.23		553.61	\$ -	\$ -
LINCOLNSHIRE*	70.24	53.22	82.24		205.70	\$ -	\$ -
LINDENHURST*	126.25	129.75	107.36	2.55	365.91	\$ -	\$ -
LONG GROVE*	98.45	82.47	73.83		254.75	\$ -	\$ -
MUNDELEIN*	230.95	188.09	127.90	122.39	669.33	\$ -	\$ -
NORTH BARRINGTON*	35.12	39.45	37.25		111.82	\$ -	\$ -
PARK CITY*	7.83	9.91	4.02	4.12	25.88	\$ -	\$ -
PORT BARRINGTON*	17.94	16.11	17.30		51.35	\$ -	\$ -
RIVERWOODS*	50.09	38.65	-	40.89	129.63	\$ -	\$ -
ROUND LAKE*	103.90	87.60	105.90		297.40	\$ -	\$ -
ROUND LAKE BEACH*	145.30	119.00	134.20		398.50	\$ -	\$ -
ROUND LAKE HEIGHTS*	17.82	12.82	10.25	4.16	45.05	\$ -	\$ -
ROUND LAKE PARK*	47.11	44.63	32.41	26.70	124.15	\$ -	\$ -
THIRD LAKE*	12.70	7.50	7.20		27.40	\$ -	\$ -
TOWER LAKES	12.41	13.61	11.02		37.04	\$ -	\$ -
VERNON HILLS*	161.98	161.21	164.51		487.70	\$ -	\$ -
WADSWORTH	33.82	27.60	26.28	9.63	97.33	\$ -	\$ -
WARREN TOWNSHIP*	100.40	84.60	93.70		278.70	\$ -	\$ -
WAUKEGAN*	397.21	365.81	433.14		1,196.16	\$ -	\$ -
WAUCONDA*	64.40	56.50	65.80		186.70	\$ -	\$ -
WINTHROP HARBOR*	60.28	39.80	42.78		142.86	\$ -	\$ -
No SWALCO credit	\$0.00	\$0.00	\$0.00			\$ -	\$ -
TOTAL	3,708.43	3,263.45	3,107.83	661.23	10,628.60	\$ -	\$ -

* - 25% (\$) = \$ (51,306.00 balance due to County for O&M on 1,306 homes)

* - 25% (\$) = \$ (55,486 balance due to County for O&M on 5,486 homes)

Paid from Ela Township (\$) & Warren Township (\$) for O&M to County

Blended Index Value	Per Ton Payment
January 2016	\$46.07
February 2016	\$50.04
March 2016	\$47.35

Lake County MRF, BU 01800
 Quarterly Single Stream Value Calculation for the SWALCO Contract Rebate
 Q1 2016

Commodity/Material	Source	%	Actual		Actual		Actual	
			January Per Ton \$	January Value	February Per Ton \$	February Value	March Per Ton \$	March Value
ONP #8	OBM Chicago HS	40.15%	\$ 50.00	\$ 20.08	\$ 55.00	\$ 22.08	\$ 55.00	\$ 22.08
OCC #11	OBM Chicago HS	10.96%	\$ 65.00	\$ 7.12	\$ 65.00	\$ 7.12	\$ 65.00	\$ 7.12
Mixed Paper #2	OBM Chicago HS	6.94%	\$ 45.00	\$ 3.12	\$ 50.00	\$ 3.47	\$ 45.00	\$ 3.12
Three-Mix Glass	Actual	18.84%	\$ (18.59)	\$ (3.50)	\$ (18.06)	\$ (3.40)	\$ (19.85)	\$ (3.74)
Tin	Waste News HS	2.09%	\$ 25.00	\$ 0.52	\$ 25.00	\$ 0.52	\$ 25.00	\$ 0.52
Aluminum	Waste News HS	1.03%	\$ 1,100.00	\$ 11.35	\$ 1,220.00	\$ 12.59	\$ 1,220.00	\$ 12.59
PET	Waste News HS	2.73%	\$ 180.00	\$ 4.91	\$ 180.00	\$ 4.91	\$ 180.00	\$ 4.91
HDPE Natural	Waste News HS	0.98%	\$ 580.00	\$ 5.67	\$ 540.00	\$ 5.28	\$ 500.00	\$ 4.89
HDPE Colored	Waste News HS	0.90%	\$ 440.00	\$ 3.98	\$ 350.00	\$ 3.16	\$ 320.00	\$ 2.89
Tubs & Lids	Fixed	0.09%	\$ 50.00	\$ 0.05	\$ 50.00	\$ 0.05	\$ 50.00	\$ 0.05
Large Rigid Plastic	Fixed	0.57%	\$ 50.00	\$ 0.29	\$ 50.00	\$ 0.29	\$ 50.00	\$ 0.29
Mixed Plastic Film	Actual	0.17%	\$ (51.04)	\$ (0.09)	\$ (40.97)	\$ (0.07)	\$ (50.07)	\$ (0.09)
Residue	Actual	14.54%	\$ (51.04)	\$ (7.42)	\$ (40.97)	\$ (5.96)	\$ (50.07)	\$ (7.28)
Total		100.00%	\$ 46.07	\$ 46.07	\$ 50.04	\$ 50.04	\$ 47.35	\$ 47.35
The monthly rebate per ton is -----			\$	\$	\$	\$	\$	\$
Directed SWALCO tons for month -----			3,708.43	3,708.43	3,263.45	3,263.45	3,107.83	3,107.83
Monthly per ton credit due to SWALCO members -----			\$	\$	\$	\$	\$	\$
\$1.00 per ton education credit due to SWALCO -----			\$	\$	\$	\$	\$	\$
Total monthly rebate due to SWALCO and members ----->			\$	\$	\$	\$	\$	\$

at least ...	\$	but no more than ...	\$	then the rebate per ton is ...	\$
at least ...	\$	65.00	\$	64.99	\$
at least ...	\$	70.00	\$	69.99	\$
at least ...	\$	75.00	\$	74.99	\$
at least ...	\$	80.00	\$	79.99	\$
at least ...	\$	85.00	\$	84.99	\$
at least ...	\$	90.00	\$	89.99	\$
at least ...	\$	95.00	\$	94.99	\$
at least ...	\$	100.00	\$	99.99	\$
at least ...	\$	105.00	\$	104.99	\$
at least ...	\$	110.00	\$	109.99	\$
at least ...	\$	115.00	\$	114.99	\$
at least ...	\$	120.00	\$	119.99	\$
at least ...	\$	125.00	\$	124.99	\$
at least ...	\$	130.00 and above...	\$	129.99	\$

I – 4. Project and Program Updates

BACKGROUND: The following are updates on several projects and programs we are currently working on:

1. The City of Waukegan sent the Agency a certified letter (attached) notifying us that it was providing 30 days notice (as required in the Intergovernmental Agreement we have with each collection site) of closing its electronics collection site, and that it was withdrawing from the Agency. Attempts have been made to meet with the City to discuss this issue, and will be updated at the BOD meeting on June 16th.
2. The transition to the new electronics recycler vendor (ERI) has gone well, and so far ERI has not charged the Agency for any of the loads it has received so far. That is a very positive sign and a testament to the great work the collection sites are doing.
3. The legislative effort to amend the electronics law has continued and two stakeholder meetings were held by Senator Althoff and Rep. McAsey in May. Discussions are ongoing and focused on the key issues of funding, central coordination of a statewide program, and a convenience standard approach vs. a numerical goal, which is the current model in IL. The parties have agreed to continue discussions this summer with the goal of finding a compromise by this fall, for legislative action during the veto session or the lame duck session in early January. Any compromise will likely not become effective until 2018.
4. Food scrap collection programs continue to grow in Lake County with the opening of one of the first food scrap drop-offs in the State in Grayslake in early May. Any member interested in providing kitchen pails to its residents that have the “ride along” option for food scraps (the option to commingle food scraps along with the yardwaste program) please contact the Agency as we have several hundred available for purchase at \$3.75 per unit.
5. Other than the legislative effort regarding electronics, the main bills of concern were SB 2202 (would limit municipal franchising powers for C&D related services and pre-empt home rule powers) and HB 6321 (would limit the authority of electronics recycling certifying bodies to restrict the use of an IL based solution for CRT glass utilizing a segregated retrievable storage cell at a Subtitle D landfill). SB 2202, which SWALCO opposes, made it out of the Senate with only one no vote (Sen. Bush) but stalled in the House due to concerns from the House Sponsor, Rep. DeLuca. As a former Mayor he is concerned about the proposed limitation on municipal power. It is expected that the C&D recycling industry, the main proponents of the bill, will approach SWALCO and other local governments to enter into discussions. HB 6321, which SWALCO supports, was unanimously approved in the House and is now residing on the Senate floor having been passed out of committee. The bill sponsor and the proponents have agreed to meet with the certifying bodies to try to find a compromise that does not involve legislation. If a compromise is not reached, the bill may then be presented for a vote in the Senate.
6. June 23rd will not be a “normal” pharmaceutical collection day at SWALCO, it is also the day that Aaron Lawlor will tape another “Dirty Jobs” segment highlighting the Agency’s pharmaceutical collection program with local law enforcement. Our program has also caught the attention of Senator Durbin, whose press secretary, John Normoyle, will also be attending.

ENCLOSED DOCUMENTS: Letter from City of Waukegan

STAFF: Walter Willis, Executive Director



Wayne Motley, Mayor
Maria M. LaCour, City Clerk
Dr. John Schwab, Treasurer

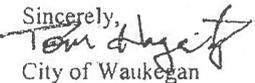
May 27th, 2016

Walter Willis
Executive Director
Solid Waste Agency of Lake County
1311 North Estes Street
Gurnee, IL 60031

Chairman
Solid Waste Agency of Lake County
Solid Waste Agency of Lake County
1311 North Estes Street
Gurnee, IL 60031

Dear Director and Chairman,
Pursuant to SECTION 5 of the INTERGOVERNMENTAL AGREEMENT entered into between the City of Waukegan and the Solid Waste Agency of Illinois, a 30-day notice is hereby given that effective July 1, 2016, this agreement is terminated and of no further force and effect. Pursuant hereto, Waukegan withdraws and will no longer accept electronics and will not be a participating member in SWALCO as of July 1, 2016.

Thank you for your partnership, but do to the overwhelming demand that electronics has put on the departmental staff we can no longer sustain this effort.

Sincerely,

City of Waukegan
Tom Hagerty
Director of Public Works

Cc: Mayor Wayne Motley
Steve Martin, Corporation Counsel

David Lothspeich

From: Christensen, Bruce D. [BChristensen@lakecountyil.gov]
Sent: Wednesday, June 22, 2016 1:02 PM
To: Jim Keim ; Adam Boeche; Adam Wedoff; Al Hill (alh@zion.il.us); Albert Pino; Angie Underwood (angie@aunder.com); Anne Marrin ; Ashworth, Jon K.; Barbara K. Little; Bill Emmerich; Bill Heinz ; Bob Irvin - Village of Mettawa (birvin@mettawa.org); Bob Kellermann; Brad Burke (bburke@village.lincolnshire.il.us); Brad Fink; Brad Woodbury (bwoodb@village.lincolnshire.il.us); Casey Urlacher ; Charles Amrich (charles.amrich@voislk.com); Charlie Pecaro ; Chris Martin (cmartin@lakebarrington.org); Dan MacGillis (dmacgillis@eroundlake.com); Dane Bragg (dbragg@vbg.org); Darren Monico; Dave Kilbane; David Lothspeich; David H. Brown (daveb@vhills.org); DavidZ@village.gurnee.il.us; Dean Argiris; Deb Waszak; dlobaito@vhw.org; Donald Schmit ; Donald Schoenheider; Drew Irvin; Ed Wilmes (edwil@northchicago.org); Emily I. Wagner - Village of Lindenhurst (ewagner@lindenhurstil.org); Frank Bart (fbart@wauconda-il.gov); Frank Loffredo; Frank Rothing; Gary Beggan (gbeggan@sbcglobal.net); Glenn Ryback; gmccollum@lake-villa.org; Greg Bales (Greg_Bales@Durbin.Senate.gov); Harriet Rosenthal; Holly.ostdick@illinois.gov; j.agnoletti@bacog.org; Jim Connors; jlobaito@mundelein.org; John Heinz; John Hucker; John Norris (jnorris@riverwoods-il.net); Joseph Mancino (jmancino@vhw.org); Kama Dobbs; Karry, Emily; Kathleen M. Leitner (towerlakes@comcast.net); Kathleen O'Hara (kohara65@comcast.net); Kathy Nelander; Kent Street (deermail@deerfield-il.org); Kevin Richardson; kjbowens@libertyville.com; Kristina Kovarik; lhanson@antioch.il.gov; Linda Lucassen; Linda Soto (lindasoto@hainesville.org); Lucas, Ashley; Manny Gomez; Maria Lasday (MLasday@villageofbannockburn.org); Marty Neal ; MATTHEW J FORMICA (mformica@lindenhurstil.org); Mayor Blomberg; Mayor Rockingham; mayorrlbeach@ameritech.net; Michael Talbett (mtalbett@villageofkildeer.com); Mike Brown; Mike Ellis; Mike Flynn; Mike May (mmay@villageofvolo.com); Mike Reynolds (mreynolds@vbg.org); Moses Amidei (mamidei@villageofwadsworth.org); Nancy Rotering; Nandia Black (nblack@villageofkildeer.com); Pam Newton ; Paul Kendzior (pkendzior@libertyville.com); Ramesh Kanapareddy (rkanapareddy@cityhpil.com); Rhett Taylor (mayortaylor@hotmail.com); Robert Ells (EllsR@cityoflakeforest.com); Robert Loy (jlee@whpd.org); Robert W. Phillips; Roger L. Byrne; Ron Colangelo (RonC@zion.il.us); Ryan "Todd" Weihofen; Scott Coren; Scott Drabicki (scottdd@village.gurnee.il.us); Steve Lentz (slentz@mundelein.org); Steve Pannell (steve.pannell@parkcityil.org); Steven J Shields (sshields@eroundlake.com); Susan Lahr; Terrence M. Lumpkins; Terry Heffron (Terrence.Heffron@llinois.gov); Tim Dilsaver (timothy.dilsaver@pacebus.com); Tim Smith; Todd Gordon; Tom Hagerty ; Tom Poynton (tom.poynton@lakezurich.org); Tracy Miracle; Trigg, Paula J.; Vicky Czuprynski (vczuprynski@getipass.com); vilgrnoaks@aol.com; vlb@lakebluff.org; Wayne Motley (Wayne.motley@waukeganil.gov); Willie Koostra (w.kootstra@voislk.com); Slood, Jeff J.; Dan Venturi
Cc: Barbara Zubek; Brian Pidgeon (bpigeon@nwmc-cog.org); Dennis Latto ; Elaine Bottomley ; Janell Jensen; Jennifer Becker ; Lenny Cannata; Michael Fricano (Mfricano@westcook.org); Mike Albin; Mike Klemens; Mike Walczak; Patrick Knapp; Vicky Smith
Subject: FW: FYI - Crisis Position

This is a follow-up to yesterday's news that affects several Council Members who have recently let federal-aid projects and several who have active federal-aid construction projects. I will keep you informed as more information becomes available.

Bruce D. Christensen
Transportation Coordinator
Lake County Division of Transportation
600 West Winchester Road
Libertyville, IL 60048
(847) 377-7455
bchristensen@lakecountyil.gov

From: Latinwo, Temi B [mailto:Temi.Latinwo@illinois.gov]
Sent: Wednesday, June 22, 2016 12:45 PM
To: Christensen, Bruce D. <BChristensen@lakecountyil.gov>
Subject: FYI - Crisis Position

I've been directed to forward Local Agency inquiries on the shutdown to:

Guy Tridgell
IDOT
Deputy Director of the Office of Communications
Guy.Tridgell@illinois.gov
312-793-4199

Please note that without a budget, all consultant and construction projects will be shut down as of COB June 30. Letters will go out today (6/22/2016) to contractors and consultants as well as local agencies. This includes various-various consultant projects, state let local projects, utility/RR agreements, etc.

Thank you

Temi Latinwo



Illinois Department of Transportation

Division of Highways – District 1
Bureau of Local Roads & Streets
201 West Center Court
Schaumburg, IL 60196
☎ (847) 705-4179
📠 (847) 705-4203
✉ temi.latinwo@illinois.gov

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Wednesday, June 21, 2016
Volume 30

Crisis Position

That's how **IDOT Secretary Randy Blankenhorn** describes the current state of affairs. IDOT will send notices out to contractors tomorrow. No more destructive work will be allowed starting tomorrow, Wednesday, June 22. If there is no budget authority by June 30 there will be a "complete shutdown." All engineering will stop. State let local projects will stop. Locally let projects will have to decide if they will continue -- their MFT dollars will go through July. There will also be a shutdown of rail, transit, and airport projects. All shutdowns will commence on Thursday, June 30 if the stopgap budget is not passed.

IDOT will award contracts from the June 10 letting if there is a budget. At this point, IDOT does not intend to rebid if there is no budget. IDOT will not advertise the July letting until July 1. If there is no budget, IDOT plans to consult with industry as to whether or not they should even go through with that letting. Lapse spending (from the end of the fiscal year) will be paid.

The Tollway program will be impacted on IDOT jobs such as 290/390 interchange, Cumberland Flyover, and on the Kennedy add-lanes.

IRTBA members **MUST** contact their lawmakers and express that our State cannot have a healthy economy without investment in infrastructure. Urge your legislators to get back to Springfield and pass the stopgap budget. To look up who your legislator is, click here for a legislator lookup by address or zip code.

IRTBA will keep members up to date throughout the course of this issue.

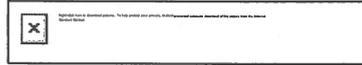
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Illinois Road and Transportation Builders Association,
500 Park Boulevard, Suite 1250, Itasca, IL 60143

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