Agenda
Village of Glen Ellyn
Special Village Board Workshop
Monday, November 4, 2024
7:00 PM
Glen Ellyn Civic Center, Room 301

Meeting Procedures Statement

Visitors are most welcome to attend all meetings of the Village Board and can find copies of the Agenda at the meeting or online at www.glenellyn.org prior to the meeting. Any individual with a disability requiring a reasonable accommodation in order to participate in a meeting should contact The Village of Glen Ellyn ADA Coordinator, 630-469-5000, at least five (5) business days in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Audience Participation

1) Open:

Members of the public are welcome to speak to any item not specifically listed on tonight's agenda for up to (3) three minutes. For those items which are on tonight's agenda, the public will have the opportunity to comment at the time the item is discussed. In either case, please complete the Audience Participation form and turn it in to the Village Clerk. It is requested that, if possible, one spokesman for a group be appointed to present the views of the entire group. Speakers who are recognized are requested to step to a microphone and state their name, their topic and the group, if any, they are representing prior to addressing the Village Board. Individuals wishing to address the Board shall exercise proper decorum and respect for the proceedings and the business of the Village Board, and shall refrain from abusive demeanor and language. The practice of ceding time to other speakers shall be prohibited, except in the discretion of the presiding officer of the meeting. Public officials are not obligated to respond to questions.

E. Budget Open Items

1) Discussion of any Unresolved 2025 Calendar Year Budget Items (Finance Director, Patrick Brankin)

F. Presentation

1) Lead Service Line Replacement Discussion (Assistant Public Works Director, John Hubsky)

G. Reminders

H. Adjourn

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 11/4/2024 7:00 PM
Department: Finance
Department Head: Patrick Brankin
Category: Budget
Prepared By: Patrick Brankin

AGENDA ITEM (ID # 2024-771)

DOC ID: 2024-771

Discussion of any Unresolved 2025 Calendar Year Budget Items (Finance Director, Patrick Brankin)

Statement of the Issue:
During the budget workshops held in October, staff noted certain errors contained within the initial budget document provided to the Village Board. The purpose of this memorandum is to summarize and provide the Board with an opportunity to review these adjustments well in advance of the final adoption of the 2025 budget. Descriptions of the changes are below, and a summary table has been included with this memorandum as well (Attachment A). Additionally, the proposed budget has been revised to reflect certain additions or changes which the Board expressed support for during recent workshops.

Analysis:
Corporate Reserve Fund

Staff is proposing to include $30,000 within this fund to ensure that funds are allocated for any construction impact grant payments made in 2025. This line item was not included in the initial budget provided to the Board. Additionally, the Village Board appeared supportive $50,000 line item in this fund to implement a residential incentive program developed by the Historical Preservation Committee. This pilot program would potentially be funded in the Corporate Reserve Fund for year one and then revisited in future years.

Fire Services Fund

Subsequent to the preparation of the initial budget document, staff received revised ambulance revenue projections from the Fire Chief and has made minor revisions to the revenues included in this fund. These revisions also resulted in a minor change to the GEMT expenditure item included within the fund.

Central Business District TIF Fund

The 2025 proposed budget for this fund has been adjusted to include the $340,000 advance TIF incentive payment recently approved by the Board as well as the $200,000 agreed upon capital contribution, both related to Glenwood Station.

Water & Sewer Fund

As noted during the related workshop, the required contribution to the Glenbard Wastewater Authority for its operations and capital needs frequently changes during the budget process as GWA's own operating budget is determined concurrently with the Village's budget. This amount was reduced by approximately $3,000 after the initial budget was provided to the Board. Additionally, staff noted an error in the miscellaneous revenue account, where the FY24 debt service reimbursement amount was included rather than the fiscal year 2025 amount. This correction resulted in a decrease of roughly $2,200 in the proposed revenue budget. It should be noted, the budget will likely be adjusted further once we have consensus from the Village Board on the fixed rate and how to begin funding the lead water line project that has been mandated by the federal government.

Parking Fund

Staff has adjusted the proposed budget for this fund to include funds for the Main Street Garage camera system. This project was originally budgeted in 2024 and staff is proposing to re-budget this $130,000 for 2025 based on interest in this project expressed by the Village Board during a recent workshop.

Solid Waste Fund

As mentioned during the related presentation, the cost of the biennial cleanup program was inadvertently factored into the proposed 2025 budget despite the fact that it will next occur in 2026. Removal of this item will reduce the projected expense budget in this account by $90,000.

Budget Impact:
See attachment A.

Contribution to Strategic Plan

Strategic Priority: Financial Stability. **Initiative**: Maintain financial stability and create a financial decision-making framework

Action Requested:
Discussion Only

Attachments:
1. Attachment A - Budget Adjustments

ATTACHMENT A

Budget Adjustments

2025 Proposed Budget

Account		Account Name	Description	Original	Adjustment	New Proposed Amount
Corporate Reserve Fund						
20000	521230	Public Relations	Adjustment to ensure funds are budgeted for the construction impact grant program	-	30,000	30,000
20000	521230	Public Relations	Inclusion of residential incentive program developed by the Hisotrical Preservation Committee.	-	50,000	50,000
Fire Services Fund						
2400	440050	Ambulance Service Fees	Minor changes based on revised projections received from Fire Company, which include listing GEMT revenue as a separate line item within this account	(1,479,581)	(22,819)	(1,502,400)
24000	520925	Ambulance Service	Revised GEMT line item to match 50% of the revenue included above	2,089,773	(2,750)	2,087,023
CBD TIF						
25000	520207	Redevelopment agreement - Glenwood	Added the $340,000 advance incentive payment recently approved by the Board	-	340,000	340,000
25000	580100	Capital improvements	Added the $200,000 in capital contributions related to Glenwood Station	2,175,000	200,000	2,375,000
Water & Sewer Fund						
5020	489000	Miscellaneous Revenue	Correction to reflect FY25 reimbursement rather than FY24	(494,810)	2,201	(492,609)
50200	521130	Payment to GWA	Adjustment to match GWA budget recommended for approval by EOC	4,062,772	(2,932)	4,059,840
Parking Fund						
530000	580110	Equipment/Capital Outlay	Rebudgeted the Main Street Garage camera system	10,000	130,000	140,000
Solid Waste Fund						
54000	521080	Waste Services	Removed the biennial cleanup program which is not scheduled to take place in 2025	1,862,300	(90,000)	1,772,300
				8,225,454	633,700	8,859,154

Glen Ellyn Village Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 11/4/2024 7:00 PM
Department: Public Works
Department Head: Dave Buckley
Category: Discussion Item
Prepared By: John Hubsky

AGENDA ITEM (ID # 2024-768)

DOC ID: 2024-768

Lead Service Line Replacement Discussion (Assistant Public Works Director, John Hubsky)

Statement of the Issue:
The following is a high-level overview of the current status of lead service line replacement (LSLR) requirements and what decision points the Village Board has with regard to funding an LSLR Plan.

Analysis:

In August 2021, the State of Illinois enacted the Lead Service Line Replacement and Notification Act (Act). Effective January 1, 2022, the Act established requirements for owners of community water supplies to develop, implement, and maintain a comprehensive water service line material inventory and lead service line replacement plan. Other requirements related to notification and prohibition of partial lead service line replacements are also contained within the Act. Regardless of how ownership may be handled along the length of the service line, there is only one (1) service line based on the rule and replacement or even disturbance of any portion of the service line requires all portions requiring replacement to be addressed in short order. The inclusion of galvanized iron downstream of known or suspected lead segments requiring replacement was another big change, increasing the total number of services needing to be addressed for the Village.

The Act is codified as 415 ILCS 5/17.12. This statute requires that each community water supplier submit a complete inventory of water service lines by material type along with a draft LSLR plan by April 15, 2024, with communities having until April 15, 2027 to finalize the plan and start replacement of all lead service lines. The plan must include a required timeline that varies in length based on the total number of services requiring replacement. Based on the Village's current service line inventory and population, the Village would have 15 years from April 15, 2027 to replace all lead water service lines.

The Village contracted with Baxter & Woodman to create a draft LSLR plan along with the number of lead service lines - inventory consisting of known lead, galvanized downstream of lead and any unknown material. That draft plan was created and submitted to the Illinois EPA in April 2024. For reference, there are two sections of water service lines in the Village - the public side that runs from the water main to the B-Box (water turn on/off), including the B Box, and the private side that runs from the B-box to the water meter in the building/residence.

In November 2023, the United States Environmental Protection Agency announced proposed Lead and Copper Rule Improvements (LCRI) requirements. Among other items, the proposed LCRI would require most water systems to replace their lead water service lines within 10 years. The LCRI was published on October 8, 2024, creating a start date to begin compliance with the requirements three years after publication. The new deadline for the Village to have all lead removed is October 8, 2037.

The variables of a lead service line replacement plan are many and are complex when considered as a whole:

1. Identifying unknown materials, currently 1,784 of 8,219 services, to confirm the total of water services requiring replacement under the LCRI
    - In-house hydro-excavating – cost-effective but slower rate of identification.
    - Contractor hydro-excavating – high cost but quicker rate of identification.
    - 3–5 years to identify all current unknown service lines with the expectation of finding another ~500 segments to replace (~1,000 total including current known that would require replacement).
2. RFP for a Hydraulic water model to identify water main replacement and align that with a high concentration of LSLR areas (identified in GIS)
    - The Water Model will not be available for 12–15 months once the firm is selected, tentative Board approval of that project in December 2024.
    - The model will impact the Village's capital improvement program with additional infrastructure needs.
    - Need to match up roadway pavement condition index with water main replacement plan that could alter the order of specific roadway work.
3. Financial considerations
    - Costs
        - Single service replacement present (2024) cost estimate (~500 service segments).
        - Customer side only (288) - ~$8,000/line.
        - Public side only (172)~$7,000/line.
        - Full replacement (20) - ~$15,000.
        - Total cost of current known lead - ~$3.8M.
        - Estimate number of lead service to double after all unknowns are identified - ~$7.6M.
        - Actual cost dependent on confirmed number of lead services, annual escalation, and time of service replacement but estimated on the order of $11M (future costs) to replace all lead services over a 10-year period starting in 2027 and ending in 2037.
        - Water main replacement cost can vary but need to consider effective replacement of older (100+ years) and smaller diameter mains, specifically 4", in conjunction with areas of high lead service concentration and planned roadway work.
        - Baxter & Woodman draft plan estimated costs, but this was the first-year draft plan with a final plan due in April 2027.

        - More information is available on the Village website regarding Lead in Drinking Water and a copy of the draft replacement plan draft LSLR Plan.
    - Funding
        - Grant & Public Water Supply Loan Program
            - Recently reviewed grant funding opportunities yielded that the Village does not currently qualify due to median household income. Staff shall continue to monitor for outside funding opportunities.
            - The State of Illinois offers a Public Water Supply Loan Program which provides 0% interest 30-year loans for public water supply projects including lead service line replacement. There is limited funding for the program and, as such, it is competitive in nature.
            - Applications are scored and ranked based on 7 evaluation criteria with projects ultimately put on a priority list for loan assistance. A reasonably high order of project planning and engineering needs to be completed to have a complete and competitive application or the program.
            - Requirements with grant and loan options that 100% of the customer (private) portion is paid for to receive this type of funding
    - Water fixed rate increase for all customers
        - Consider a $7.50 per month ($90/year) fixed fee increase per water service line for the life of the LSLR program provides ~$750K per year (the fee could be increased each year in line with construction cost escalation); this fee would sunset when there was enough money to complete LSLR (or for the life of the debt if loans were taken out).
        - See item 4; the Village could also require that customers pay for replacing their privately owned portion of LSLR services to reduce the fixed rate increase for all customers which would then solely cover the cost of public side replacement.
4. Other considerations for funding LSLR, including imposing the cost of the private side replacement on solely those customers with lead service lines, a potential reimbursement program for services replaced outside the LSLR Plan, parameters for when and how LSLR can be performed with reimbursement, etc. Once a service line is disturbed (construction or service line replacement), the whole service line needs to be addressed for removal of lead.

Three potential options for a reimbursement program:

- 0% - Pay for the public portion only and require the property owner to pay for the private side. This would be the least expensive approach for the Village and would have to be in conjunction with the private side being done. The property owner would simply have the contractor doing the work split the invoice between the public side and the private side and bill it accordingly. Possibility of residents signing a waiver that the Village will need to manage.
- 50% - Pay for the public side and do a 50/50 cost share on the private side. The contractor could break out the public side cost plus 50 percent of the private side and send the Village

an invoice for that portion. The homeowner would then pay the remaining balance to the contractor.

- 100% (to a set limit) - Pay a flat amount to be reimbursed for the work done. Some municipalities have been offering $6-8,000 for reimbursement. Total cost of a replacement varies depending upon site conditions, length of service and internal plumbing that will need to be done. This would resemble the current cost share program and residents would provide the village with 1-3 quotes and the village would approve the contractor and pay up to the reimbursable amount. Any cost over the reimbursable maximum amount would be the responsibility of the residents. Long term liability is reduced with this option.
- Letters and waivers are needed for any resident deciding not to replace their lead service line. These documents need to be managed on a yearly basis and the Village is ultimately responsible for the removal of all lead, regardless of ownership.

Timeline factors:

- If roadway is scheduled for water main and/or service line replacement before 2037, how will the Village manage requests for LSLR before the roadway/water main work is scheduled?
- If roadway work is not scheduled for water main replacement before 2037, how will the Village manage requests for LSLR that are beyond the budgeted dollars for a specific year?
- Retro payback? Option the Vilalge to pay back residents who replaced lead line services outside the parameters or time frame of this program. The date when Lead Service Line Replacement was enacted could be the cutoff for reimbursement of replacement.

Other community LSLR programs in place

- Lombard – Max $5,000 or up to 75% of the cost on the private side covered by Lombard.
- Wheaton – 100% of costs on the private side are covered by Wheaton.
- Downers Grove – Private side costs responsibility of homeowner but seeking alternative funding options to assist with costs.
- West Chicago – Matrix of options based on scenario from 100% on homeowner to 100% of West Chicago.

Budget Impact:

Contribution to Strategic Plan

Action Requested:

Attachments:

1. Lead Board Presentation 11.4.24

LEAD WATER SERVICES

- **Review of past and current legislation**
- **Where Glen Ellyn stands on “Getting the Lead Out”**
- **Discussion and decision points for the Board to consider on how the Village can best move forward for meeting these requirements**

WATER SERVICE MATERIAL AND REGULATIONS

Lead and Copper Rule

- Regulates amount of lead and copper that can be present in drinking water
- Originally established in 1991 by the Environmental Protection Agency, as part of the Safe Drinking Water Act
- The action level of 15 parts per billion (ppb) was established
- The maximum contaminate level goal (MCLG) is zero – No level of exposure to lead is without risk (i.e. considered safe)
- Testing required every 3 years, 90th percentile of 2.51ppb in 2023, 3.16ppb in 2020, and 2.84ppb in 2017
- Lead service lines are not the only source of lead in water and can include copper solder and internal fixtures

CHANGING REGULATION LANDSCAPE

New Lead and Copper Rule Revisions (LCRR)

- **EPA finalized changes December 16, 2021**
  - Action level kept at 15ppb but a trigger level added at 10ppb (90th percentile)
  - Change in sampling techniques – 5th liter draw versus 1st liter
  - Focus on replacement of ALL lead service lines
    - Rule only sees one service line, many communities, including Glen Ellyn have a shared water service - *No partial lead service line replacements – requires cooperation of property owners*
  - Established timeframes for removal of all lead, for GE that would have been 15 years starting April 2027
  - Also required a Lead Service Line Replacement Plan (LSLRP), draft due April 2024

LEAD AND COPPER RULE IMPROVEMENTS (LCRI)

Published October 8, 2024

- **Timeline for all systems to remove lead reduced to 10 years**
  - Clock starts 3 years after publication, completion required by Oct. 2037
- **Removal of action and trigger level for testing, 10ppb is now the key metric**
- **Increased monitoring with testing – twice yearly**
- **More stringent notifications for lead level exceedance or for remaining services that are known lead, galvanized requiring replacement, or unknown material**

CURRENT STATISTICS FOR GLEN ELLYN

IEPA has required an inventory annually since April 2018

Total Services 8,219	Lead 308 On Either Side	Copper Lead Solder 0	Galvanized Iron 156	Unknown 1,784
Filter Results 8,219	Unknown Not Lead 1	Cast, Ductile, Transite 115	Plastic 3	Copper 5,852 On Both Sides

- **Staff continues to identify unknown materials to make the inventory more accurate to help guide decisions and create clearer cost estimates**
  - Expectation is another 3-5 years will be needed to identify all service materials
- **Since 2021 as rules started shift towards the current no lead requirements, the Village has addressed >143 services**

BREAKDOWN OF THE NUMBERS

Total number of service lines is 8,219

- **Based on historical records, construction information and on-site inspections, suspected number of lead service lines was ~300-500 when the original 2021 rule was published**
- **With the additional requirement to address galvanized piping, the total number of lines requiring replacement potentially ~1,000 – approximately 450 known and another 500 estimated from the remaining unknowns**

BUDGETARY NUMBERS

Using the estimated number of services

- **Public Portion**
  - 172 known requirements at $7,000 each ~$1.2M
- **Private Portion**
  - 288 known requirements at $8,000 each ~$2.3M
- **Full replacement**
  - 20 known requirements at $15,000 each ~$0.3M
- **Total Costs for Known Services - $3.8M**
- **With the potential of doubling the number of services requiring replacement costs would be $7.6M or ~$11M with 3% annual inflationary factor through 2037**

ADDITIONAL WORK TO DEVELOP A PLAN

Water Hydraulic Modeling

- **Modeling provides a wholistic look at the system, combining evaluation of older and undersize pipe replacement needs, locations of lead service lines replacements, and the larger Capital Improvement Program**
  - None of these factors are independent, with each and every change impacting other aspects
- **RFP was due at the end of October, 5 submissions received**
  - Staff is currently reviewing submissions to setup interviews to determine which engineering firm will be recommended to perform the project
  - Intent is to bring the request for approval to the Board in December

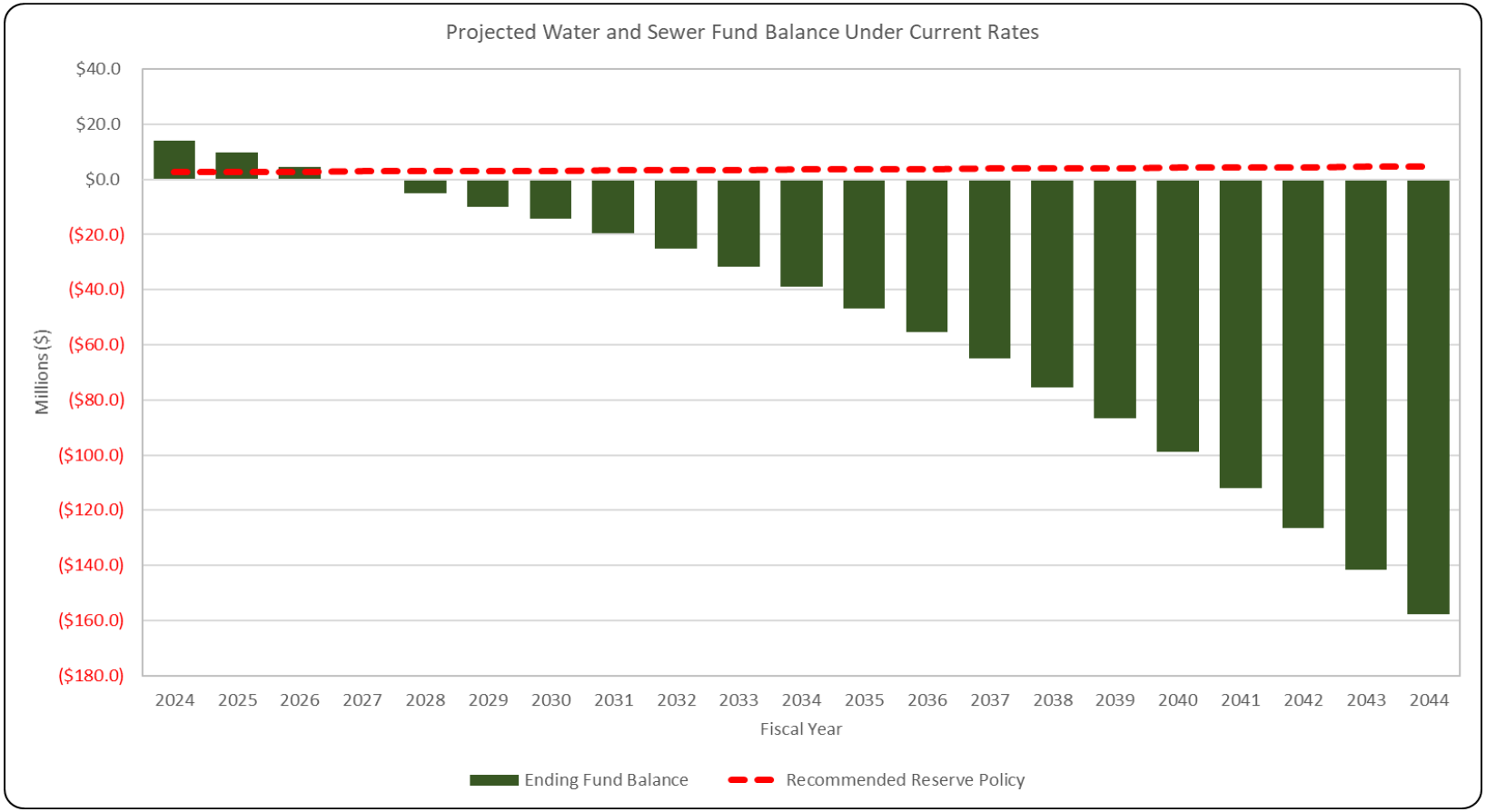
FUNDING

Grant and Loan Opportunities

- **Many of the dollars are earmarked for use by disadvantaged communities that often have a larger number of lines to address**
  - Staff will continue to review and attempt to secure outside sources of funding, but the most likely scenario will be the ability to obtain low interest loans through the IEPA State Revolving Fund
  - *Requirement to fund the private portion with most of these options*
  - Village most recently utilized this option with the sewers installed in Lambert Farms, with that loan repayment ending in 2022
- **With the recent Water and Sewer Rate Study, the costs for water was split into a capital (fixed) and volumetric (usage)**
  - This does allow for a very transparent fee to be applied to the capital portion that can generate some of the funds that will be needed to address the requirement to remove all lead

W&S FUND PROJECTIONS UNDER CURRENT RATE

- **Key Assumptions**
  - 3.16% CPI (10-year average)
  - Includes current CIP presented in September
  - Includes LSLR costs (including 100% private side)
  - Includes escalator for personnel costs
  - 5% increase in water purchase costs annually
  - No future increases to fixed or variable portions of revenues


Projected Water and Sewer Fund Balance Under Current Rates
$40.0
$20.0
$0.0
($20.0)
($40.0)
($60.0)
($80.0)
($100.0)
($120.0)
($140.0)
($160.0)
($180.0)
Millions ($)
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
Fiscal Year
Ending Fund Balance
Recommended Reserve Policy

PROPOSAL FOR 2025

- **100% increase to fixed portion of water & sewer**
  - Bill impact would be below $1.50/month for most homeowners
  - In line with recommendations from rate study
- **3% increase to variable rates**
  - ~$2.08/month for average user (4,000 gallons)
  - Recommended in rate study in prior year
- **Begin collecting funds for lead service line replacement costs**
  - Impact would depend on approach preferred by Board
  - Potential sunset date after completion of LSLR projects

FUNDING THROUGH A FIX MONTHLY FEE

Water and Sewer Rate Study

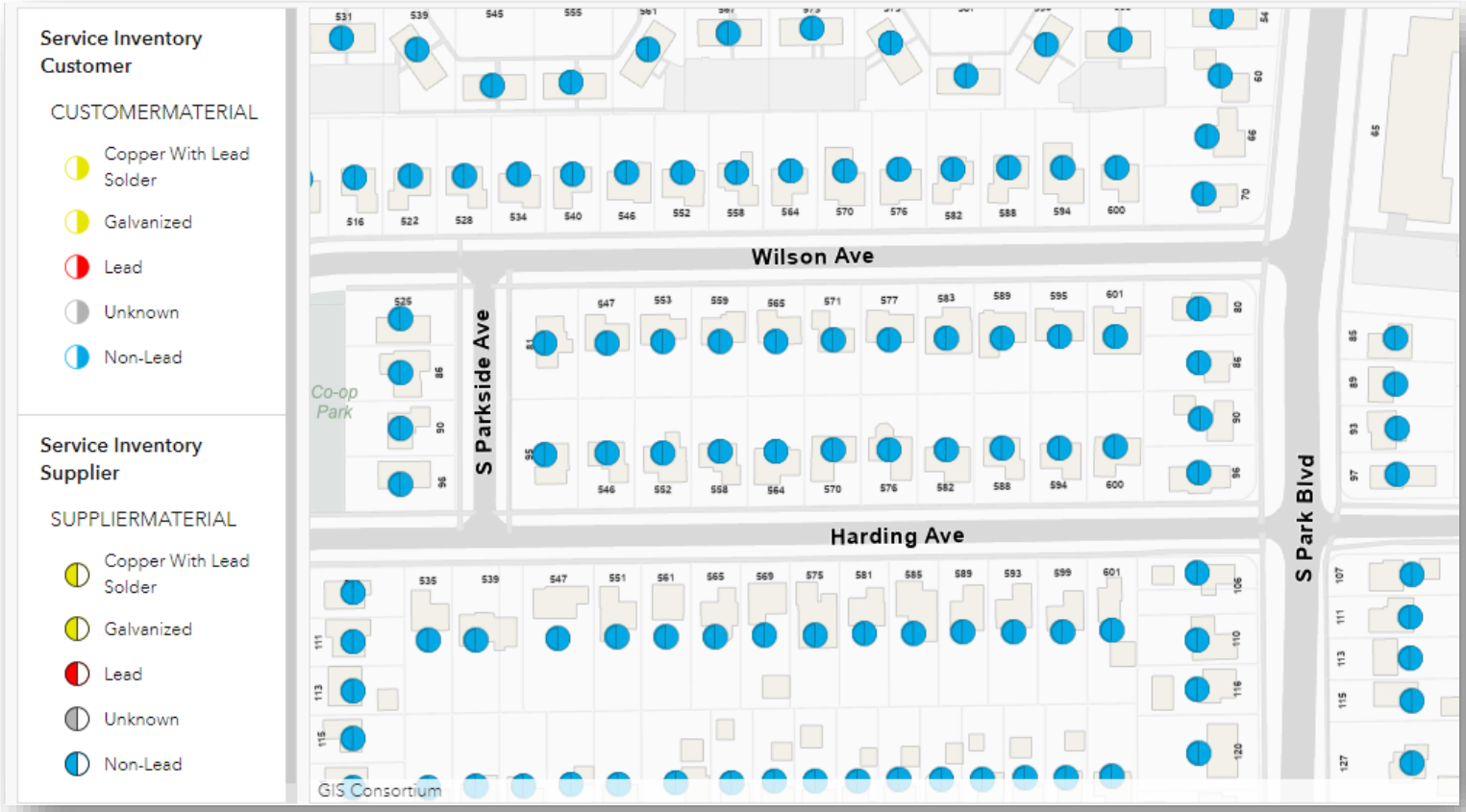
- Established a fixed and volumetric portion of the bill
- Currently 2% of revenue comes from the fixed portion, best practice has that closer to 20-30% to cover capital costs
- Add in a $7.50 per month per meter charge - $90 per year
  - Generates ~$750,000 annually
  - If implemented in 2025, this would generate roughly $9.6M through 2037, matching the current amounts entered into the CIP for addressing required replacements for lead services
  - Separate from any rate changes to the existing fixed and volumetric rates and would have a planned sunset once lead was addressed

WHAT NEXT?

What level of assistance does the Board want to approve for any privately owned portions of the service line?

- **Current regulations do not require the owner of the system to pay outright for the costs but do require assistance to be provided**
  - Staff recommends that the Village cover the costs going forward for the private portion of the line at 100%, when the Village is driving the replacement with a roadway or other project
  - Cost sharing private portion – 50% of eligible costs or fixed reimbursement amount for the replacement of the private service line
    - This follows the format of the current sanitary and sump pump cost share program
    - A yearly budgeted amount could be set to handle these one-off requests
- **Ultimately, the Village is responsible for all lead removal**

OTHER QUESTIONS/COMMENTS FOR BOARD?

- **Will the Board consider a fixed fee to start building up funds for the known costs that will be incurred?**
- **Consideration for past replacements?**
  - Recommend of LCRR Date from of January 1, 2022
- **There will need to be future adjustments to water and sewer rates, small adjustments routinely will help minimize a need for a large spike.**
- **Others?**

QUESTIONS, COMMENTS AND DISCUSSION