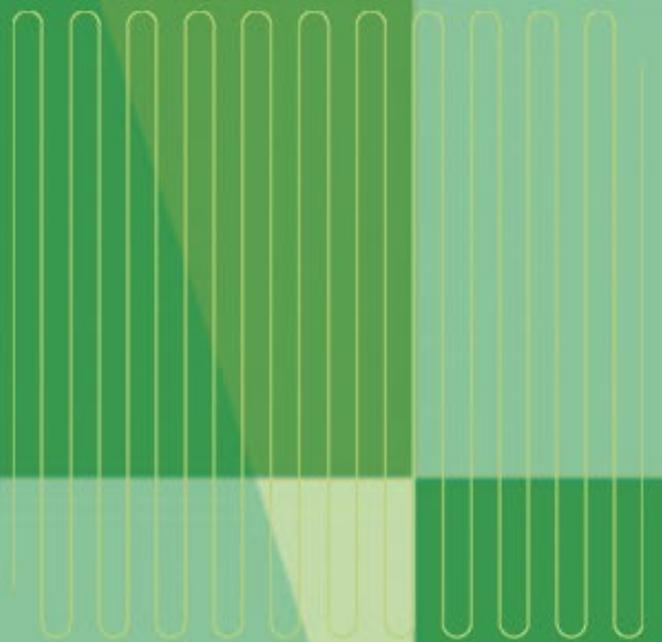


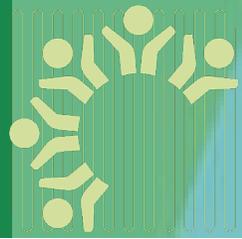
Regulatory Update: What You Need to Know About Lead

Kaitlin Wright, Baxter & Woodman

October 22, 2024

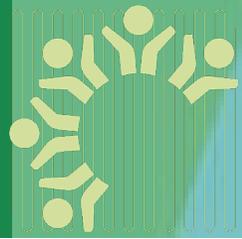


Overview

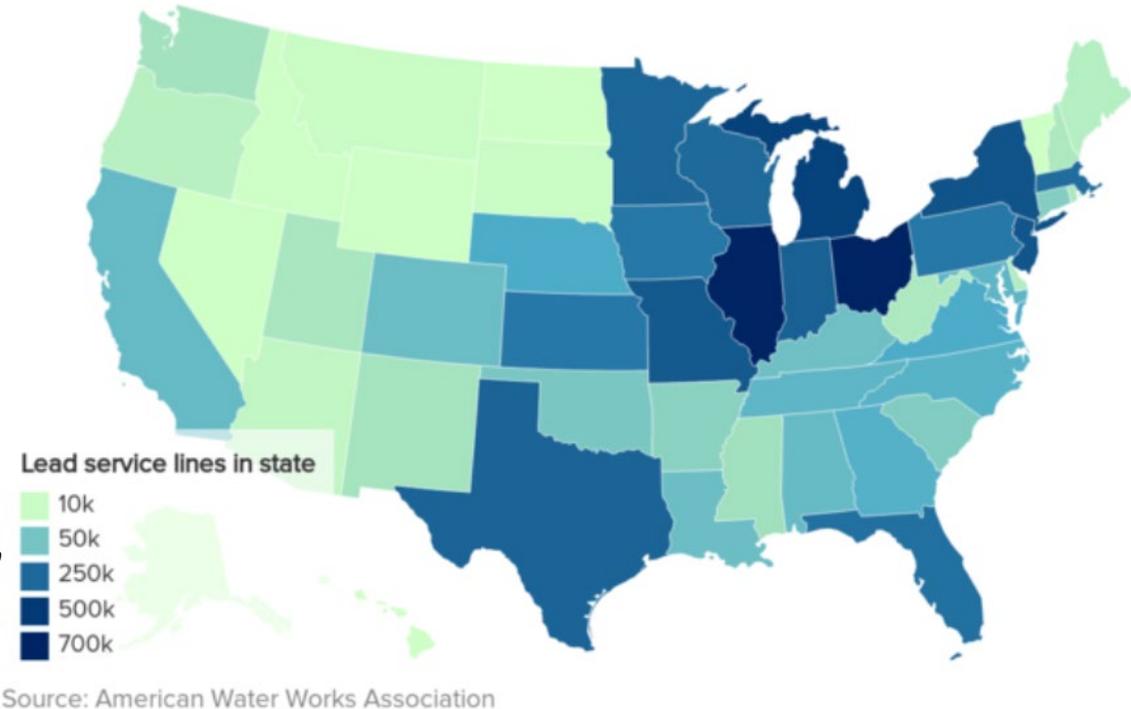


- Lead and Its History
- Water Service Line Ownership & Key Terms
- Lead Service Line Regulations
- Village Inventory & Replacement Plan Overview
- Financial Impacts
- Regional Efforts

Lead and Its History



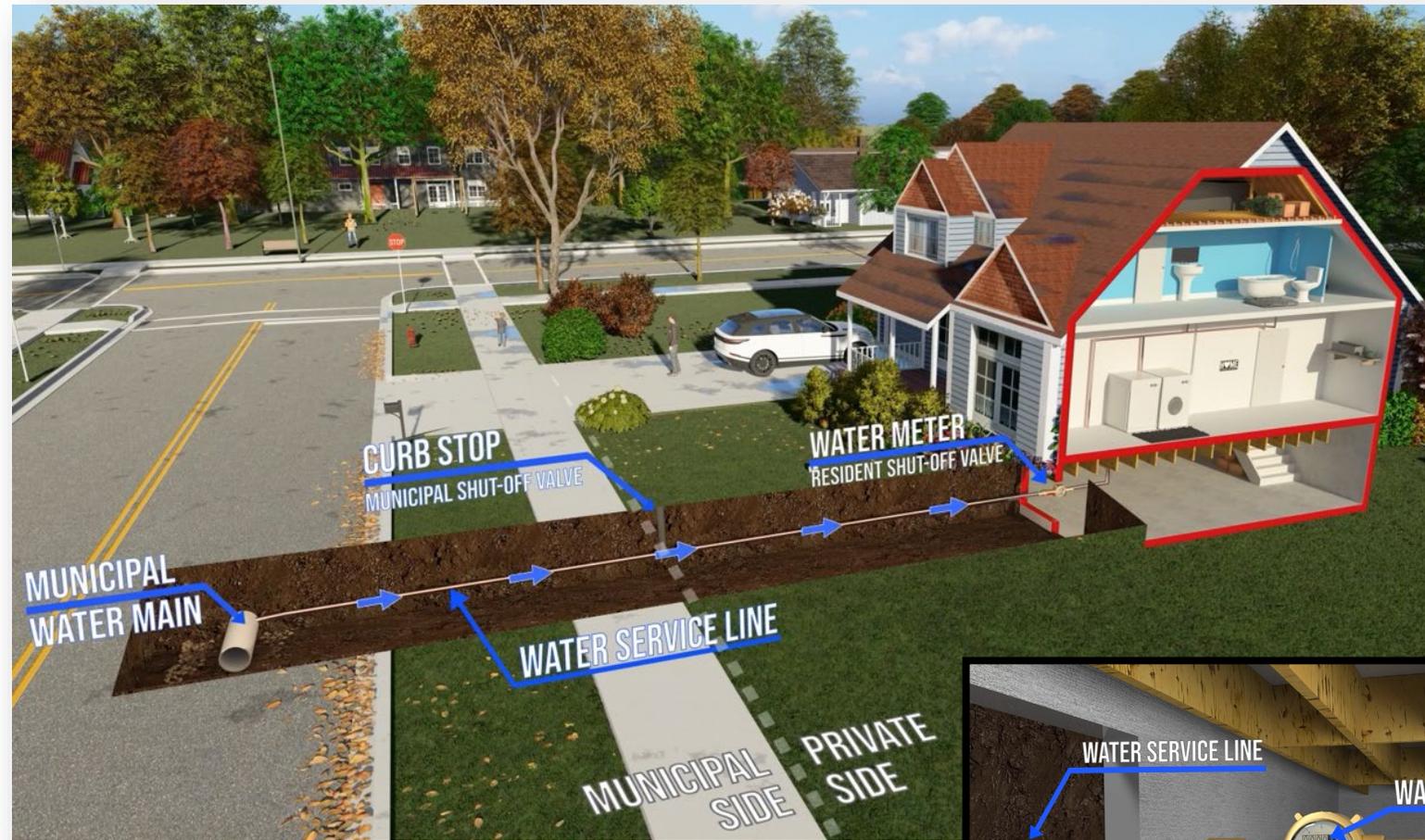
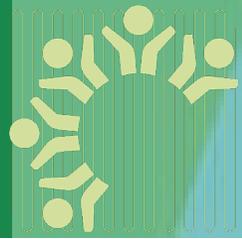
- ❑ **NATURALLY OCCURRING MINERAL**
- ❑ **WIDELY USED IN WATER DISTRIBUTION SYSTEMS IN THE LATE 19TH CENTURY AND EARLY 20TH CENTURY**
 - LEAD PIPES, GOOSENECKS, LEAD SOLDER, LEADED ALLOY
- ❑ **1986 –CONGRESS AMENDS SAFE DRINKING WATER ACT, PROHIBITING LEAD PIPE, FLUX, OR SOLDER.**
 - THERE WAS A TWO-YEAR IMPLEMENTATION PERIOD
- ❑ **1991 - THE LEAD AND COPPER RULE FIRST PUBLISHED**
- ❑ **2014 / 2015 – FLINT WATER CRISIS**



There is no safe exposure to lead.

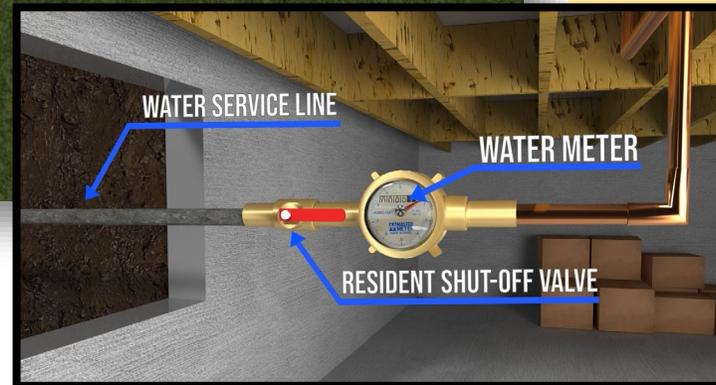
Fetuses, newborns, children under 6 and pregnant or breast-feeding mothers are most vulnerable to the harmful effects of lead poisoning. Lead can cause lower IQ, learning problems, speech disorders, anemia, and trouble concentration/paying attention

Water Service Line Ownership

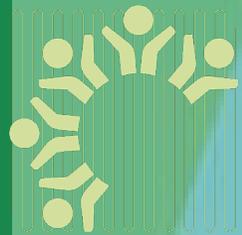


Lead Service Line (LSL): A water service line that has some portion of the service line made of lead pipe or galvanized steel pipe that is or was in contact with lead pipe.

Full Replacement: Replacement of a water service line from the water main to within the building plumbing at the first shut-off valve or 18-inches inside the building, whichever is shorter



Navigating Multiple Regulatory Agencies



Lead And Copper Rule Revisions

Compliance Date:
October 16, 2024

Lead And Copper Rule Improvements*

Compliance October 2027



LSL Replacement & Notification Act

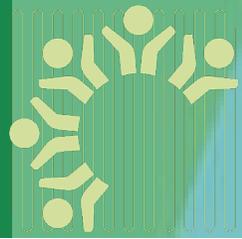
Effective Date:
January 1, 2022



Illinois Plumbing Code

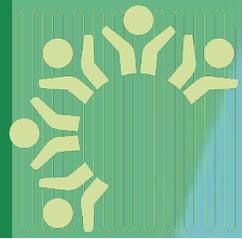


Key Components of State & Federal Regulations



-  Water Service Line Material Inventory
-  Lead Service Line Replacement Plan
-  Public Education & Notification
-  Full Lead Service Line Replacements
-  New Water Sampling Procedures

Water Service Line Material Inventory



IEPA Inventory Requirements

- 12,427 Service Connections

Material	Village Side	Private Side
Non-Lead	7,500	5,500
Lead	4,900	4,100
Unknown	91	3,000

Deadlines

- Updated Inventory Submission: April 2024
- Oak Park is in full compliance

Public Accessibility

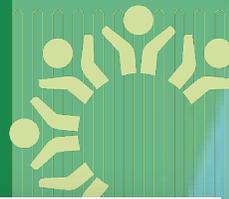
- [Village's Water Service Dashboard](#)
- Consumer Confidence Reports

Notice of Lead Water Service

- Sent annually until removed
 - Even if a Property Owner signs IDPH Waiver*



Draft Lead Service Line Replacement Plan



All Water Systems with known LSL, GRR, or unknowns had to submit an LSL Replacement Plan by April 15, 2024

- 7,760 LSLs identified to date; 8,000 estimated



Lead Service Line Replacement Schedule at Designated Rate

- 2027 - Required Rate of Replacement Begins
- 5% annually for 20 years
- Estimating 400 service line replacements per year



Analysis of costs and Financing Options for Replacement



Full replacement has been required since January 2022

- Planned Construction
- Emergency Repair
- Private Replacement

(IL0312250) Village of Oak Park

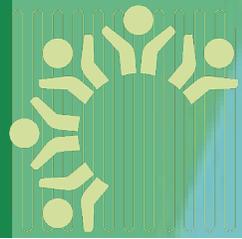
Draft Lead Service Line Replacement Plan

Appendix B - Water Service Line Material Inventory



AN
seers

Future Planned Replacement Costs



Full Replacement Construction Cost

- Public & Private Side
- \$12,000 - \$15,000 Each
(As of 2024)

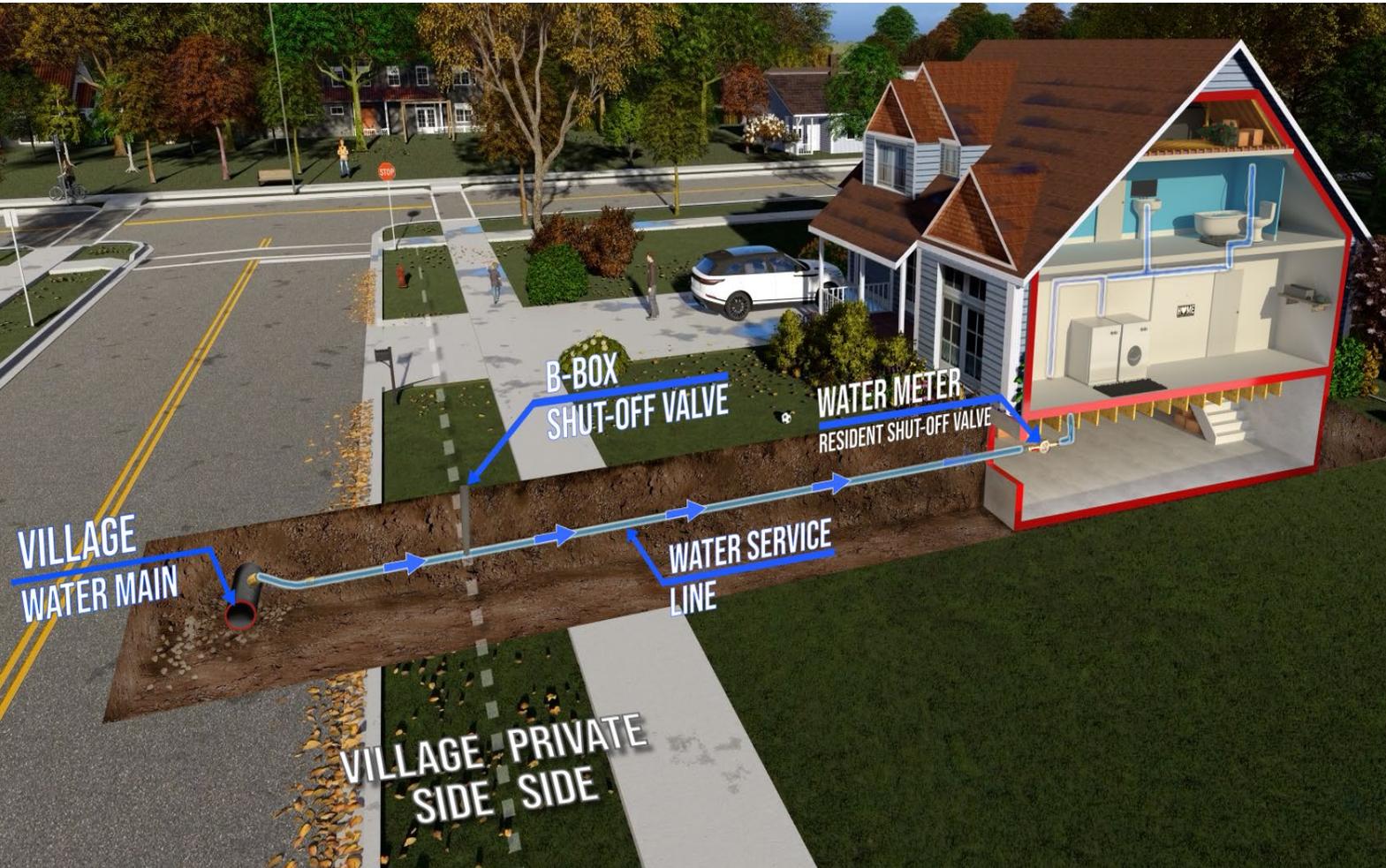
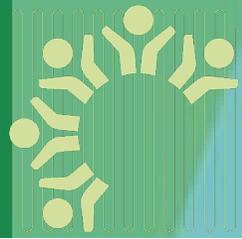
Full Water Service Line Replacements	Cost Estimate
400 Lead Service Lines Per Year	\$ 6,000,000
Engineering & Contingency	\$ <u>1,200,000</u>
Estimated Annual Cost At Mandated Replacement Rate	\$ 7,200,000
Estimated Total Program Cost over 20 Years*	\$ 144,000,000

**Expect costs to increase with 3% inflation, materials and contractor availability*

Financing Considerations

- Current regulations do not require the Village to finance the entire replacement.
- If using state funding, IEPA expects the entire lead service line be replaced.

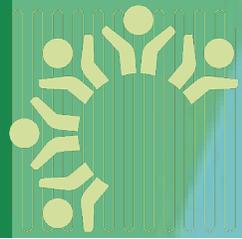
Current Village Cost Share Plan



Village Initiated Projects

- Village pays 100% for the public portion
- Village provides a pre-negotiated cost for private portion based on service line size
 - 1-Inch: \$7,500
 - 1 ½ -Inch: \$8,500
 - 2-Inch: \$10,000

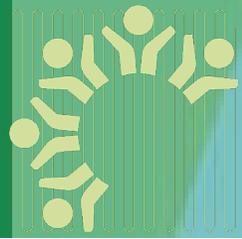
Chicagoland Regional Efforts & Current Trends



Lead Service Line Replacement Program Comparison

Communize Size	Less than 20,000 population	20,001 – 50,000 population	Greater than 50,000 population
Community Paying 100%	2	4	6
Cost-Share	7	9	5

Chicagoland Regional Efforts & Current Trends



Local Funding Programs

- ❑ Community pays for the entire replacement
 - Elmwood Park
 - Forest Park
 - Schiller Park

- ❑ Community pays for public side and a set percentage of the private side up to a designated capped amount
 - Pays 75%, up to \$5,000 (Lombard)
 - Pays for 50% up to \$6,000 (Deerfield)

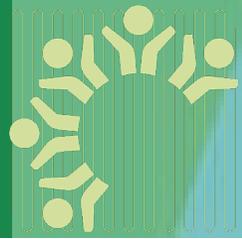
- ❑ Community pays up to a set percentage of the entire service line to a designated capped amount
 - Pays 100% of public side up to \$5,000 and pays 50% of private side up to \$2,500 (River Forest)
 - Pays 50% up to \$2,500 for entire service line (Berwyn)

Property Owner Payback Considerations

Note: This is not an exhaustive list

- Request property owner to pay at or before replacement
- Rebate property owner after replacement
- Payback period through water billing
- Differed loan until refinance or property is sold

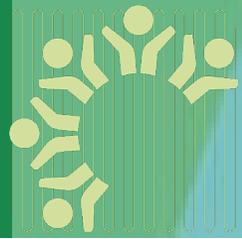
Supplemental Funding Sources for Consideration



Reducing Lead in Drinking Water Grant Program

- ✓ Acts as a grant.
- ✓ Capped at \$10 Million per applicant (FY24)
- ✓ Very Competitive (2 to 4 agreements awarded annually)
- ✓ Must demonstrate project will take place in at least one disadvantaged community

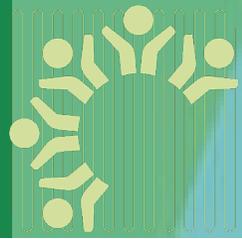
Supplemental Funding Sources for Consideration



U.S. Congressional Directed Spending

- ✓ Acts as a grant
- ✓ Best for large projects
- ✓ May require local match
- ✓ Funds allocated for a single fiscal year only
- ✓ Dispersed through various governmental agencies

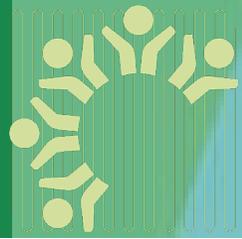
Supplemental Funding Sources for Consideration



Water Infrastructure Finance and Innovation Act (WIFIA)

- ✓ Long term loan program (35 years)
- ✓ Interest rate varies based on U.S. Treasury rate
- ✓ \$20 Million minimum project size
- ✓ 49% of eligible project cost can be funded by WIFIA
- ✓ Competitive.

Supplemental Funding Sources for Consideration

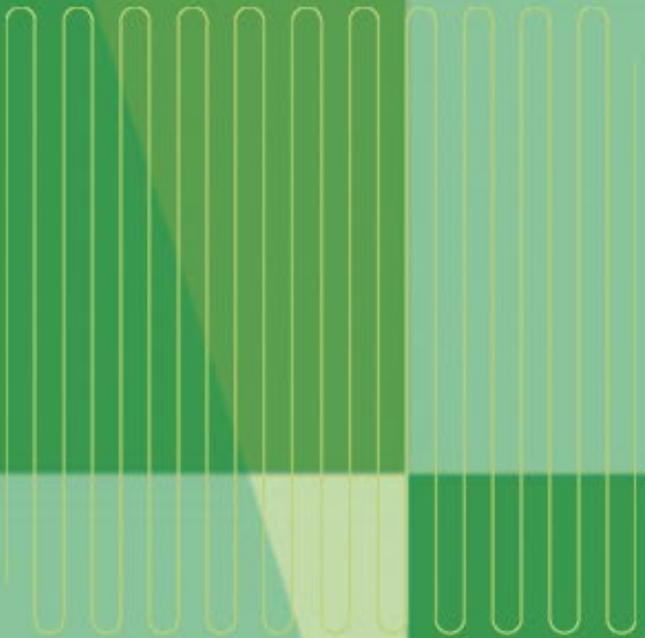
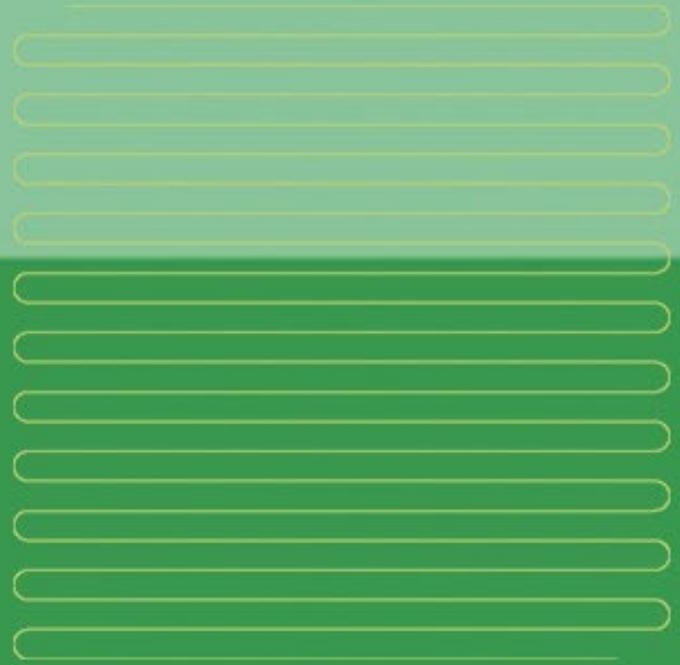


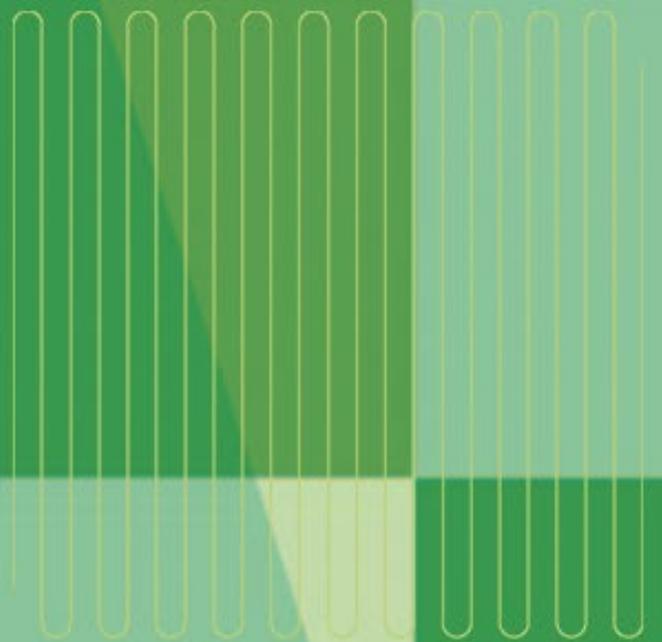
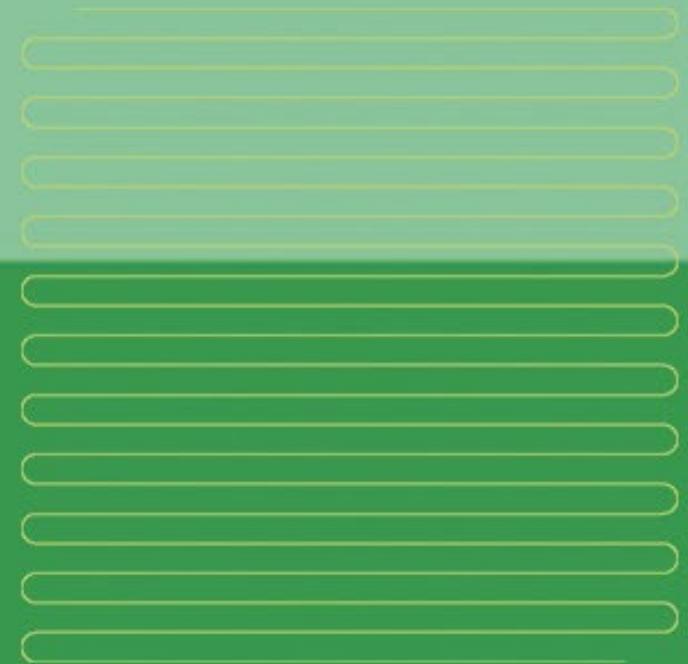
IEPA Public Water Supply Loan Program

- ✓ For LSLR, 0% loan for 30 years.
- ✓ Can request up to 5 years of funding.
- ✓ Other water projects may be included (with different interest rate).
- ✓ Principal forgiveness available for disadvantaged communities.
- ✓ Requires a Project Plan.
- ✓ Competitive.



Questions?



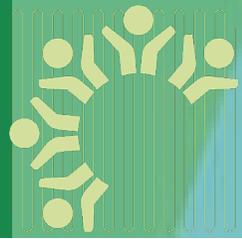


Water & Sewer Fund

Rob Sproule, Public Works Director

October 22, 2024

Water Rate Comparison Tables



RESIDENTIAL WATER RATE COMPARISON TABLE

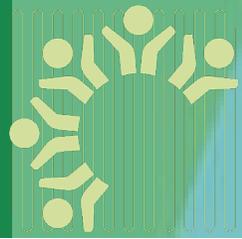
MUNICIPALITY	WATER RATE	SEWER RATE	COMBINED RATE
BERWYN	9.16	3.13	12.29
OAK PARK	10.93	3.13	14.06
FOREST PARK	12.13	2.00	14.13
ELMWOOD PARK			15.43
RIVER FOREST	10.30	6.27	16.57
NORTH RIVERSIDE			17.10
BROOKFIELD	16.09	4.34	20.43
ELMHURST	9.02	11.45	20.47
LAGRANGE	17.31	4.34	21.65
RIVERSIDE	20.77	5.45	26.22

COMMERCIAL WATER RATE COMPARISON TABLE

MUNICIPALITY	WATER RATE	SEWER RATE	COMBINED RATE
BERWYN	15.43	3.03	18.46
FOREST PARK	20.90	2.00	22.90
ELMHURST	17.56	11.45	29.01

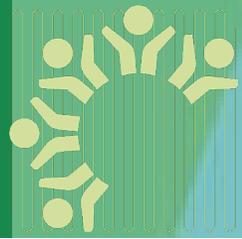
NOTE: These municipalities have been able to maintain lower residential water rates by organizing their rate structure to include a higher commercial water rate to ensure that the costs associated with providing water are more accurately recouped from those who use it most.

2025 Water Rate Study



- To inform water rates for Fiscal Year 2026 through 2030
- To help to avoid large water rate increases that can financially burden customers
- To plan for capital improvement projects
- To present a transparent plan to lenders and other stakeholders
- To communicate with customers about future impacts and rate increases

2025 Water Rate Increase



- To cover costs associated with next year's rate increase from the City of Chicago
- To cover costs associated with 2025 and 2026 capital infrastructure improvements
- To create a healthy fund balance = 25% of the Water & Sewer fund's annual expenditures
- Revenue calculations already include a 4% rate increase.
- Staff are evaluating the need for an additional increase.



Questions?

