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August 24, 2020

Mr. Brad Cole Executive Director Illinois Municipal League 500 East Capital Avenue Springfield, IL 62105

Re: Lead Service Line Replacement Concerns

Dear Mr. Cole.

As part of the State of Illinois Lead Service Line Replacement and Notification Act passed last year, the Village of La Grange Park has reviewed the impacts of the law and started to complete required aspects of the law by the specified deadlines. During this process, the Village has become aware of the confusion, cost, and impacts to the community and its residents.

## **Resident Expressed Concerns:**

During the completion of an online survey and inspections that have been completed thus far, residents have shared the following feedback with the Village:

- **Residents have expressed annoyance** that they have found the request intrusive.
- **Residents have expressed fear** that having a lead service will diminish the value of their property.
- **Residents have expressed concern** about the cost of replacing the lead service and the time frame to address the issue.
- **Residents have expressed frustration** that if lead is a serious health concern, why the "long time frame" to replace the services.

## **Funding Concerns:**

Based on the number of lead services on the system, the Village will have a specific time frame to complete the work starting in 2027. Potential available funding sources are available now.

• **Potential Resource will be mostly committed prior to 2027 -** Loan Forgiveness was made available to communities prior to the replacement being required at 100% loan forgiveness for up to \$4,000,000 in a given year per Village/community. Those funds have been expended and new Federal Funds will now be available but at a reduced loan

- forgiveness of approximately 50% with these funds currently only allocated for the next 5 years.
- **Reliability and Cost of the Inventory -** The Act requires an inventory of lead service lines. Many Villages will engage the property owner in a survey or conduct onsite inspections. While an onsite inspection may be a reliable approach, it can be inaccurate. Only potholing can confirm the material of the line. It is unclear if state or federal funding will cover the cost of potholing, which can be costly.
- **Inequity in the Replacement Schedule -** The number of services is used to determine the schedule for the replacement; however, it disregards the size of the system and the impacts those costs may have on the community.
- **Financial Impact** Communities with a significant percentage of lead service lines will need to either pass cost of the project on to customers or need to divert limited existing capital funds to water service replacements.
- **Affordability** The intent of the law is to replace lead services as it presents a potential source of lead contamination. However, the law allows for property owners to waive the replacement of their portion of the service, which will not reduce the risk of exposure. If left to the individual resident to replace their side, it will come down to whether they can afford to replace the service or not.
- **Fairness** The law discusses addressing the affordability of the replacement of the services. However, costs related to the private side of the service will either need to be borne that resident individually or by all customers on the system through a rate increase or fee regardless of whether they have lead on their service.
- **Projected Cost** current estimates for line replacement in La Grange Park (population is 13,500) range from \$8.7 - \$14.3 Million, or more. This cost will add a substantial burden onto the Village where we have one of the highest water rates in the area (designed to fund the replacement of 42 miles of water system pipes, much of which was constructed in the early 1900s and is reaching the end of its life expectancy). Our current rates are \$11.50 per 100 cubic feet water (\$2.95 per 100 cubic feet sewer) and a \$14.45 combined per 100 cubic feet.

Should you have any questions regarding this correspondence, please contact me directly at 708-579-2370.

Respectfully yours,

Tulia Cedillo Village Manager

Iim/Discipio Village President

Rick Radde, Director of Public Works c: Mark Volk, Village Engineer, Hancock Engineering Mark Lucas, Executive Vice President, Hancock Engineering Dr. James L. Discipio, Village President