

Village of Peoria Heights  
Board of Trustees  
March 23, 2023

The Public Hearing was called to order at 5:30 p.m.

Everyone stood for a moment of silence and the Pledge to the Flag.

Upon calling roll, the following Trustees were present: Sarah DeVore, Jeff Goett, Elizabeth Khazzam, Mark Gauf, Matthew Wigginton, and Brandon Wisenburg. Others present included Mayor Michael Phelan, Village Administrator and Chief of Police Dustin Sutton, and Village Clerk Stephanie Turner.

Mayor Phelan explained the Board of Trustees had hired expert consultants to evaluate the Village's water system. Community Development Director Wayne Aldrich explained there are two parts to the capital improvement: the engineering and the financing for improvements. Director Aldrich spoke of Woodard and Curran, the consultants on the project, and their qualifications in preparing a capital improvement plan. Director Aldrich introduced Mr. Don Taul, the project manager, and Mr. Zach Malach, the project engineer to begin the presentation. Mr. Taul explained the process of preparing the capital improvement plan including touring the facilities and requesting documentation on the water system. After viewing the information, Woodard and Curran worked with Director Aldrich and Superintendent of Public Works, Mr. Chris Chandler, to develop a list of projects and priorities for the next 5 years and then further for the next 20 years. After the lists had been created, Woodard and Curran worked with the Village to evaluate finances. Mr. Malach covered the status of the Village's water infrastructure including wells, facilities, water pumps, chemical feed systems, water towers, water distribution system, and water meters. Mr. Malach showed the detailed 5 year capital improvement plan highlighting the importance of water filtration, lead service line replacements, and water main replacements. Mr. Malach then showed the detailed 20 year capital improvement explaining that some of the projects are continuations from the 5 year capital improvement plan while other projects are systematic replacements to keep the system in good working order. He noted it was meant to be a living document that was evaluated every year based on progress and necessities. Mr. Malach explained how Woodard and Curran approached evaluation of Peoria Heights Waterworks' water rates. He explained if there were no rate increases the Village would eventually go into debt and be unable to pay normal expenses. Mr. Malach continued on to show proposed rates, which combined with financing options, would fund the capital improvement plan. He showed multiple options for water rates and finance options and the impact on the Peoria Heights Waterworks' finances. To provide context, Mr. Malach showed the rate increases visually as compared to current rates in the City of Peoria. Even with rate increases, the Village's bills will still be lower in FY 2027-2028 than the current rates in the City of Peoria across all studied categories. Mr. Malach also showed the proposed rate increase compared to a projection of rate increases for the Cities of Peoria and Champaign based on their historical increases. Mr. Malach concluded the presentation and asked for questions.

Trustee Khazzam asked about unexpected costs. Mr. Malach noted that the benefit of healthy reserve balances to fund unexpected costs. A resident asked Mr. Malach about the plans for filtration. Mr. Malach explained various filtration that help with mineral deposits. He explained manganese is a natural mineral that contributes to hard water. He noted in very high concentrations it can cause health issues. He also noted that lead can cause developmental issues in young children which is why there had been updates to the rules regarding lead service lines. Mayor Phelan noted the importance replacing lead services lines. Mr. Taul came forward and explained that the federal government

recognized the importance of lead contamination and had mandated the replacement of lead service lines as well as lines contaminated with lead. He explained Woodard and Curran reviews records for homes that were built prior to 1980, as well as records relating to meters, in order to identify lead service lines. He explained the details of the replacement requirements err on the side of caution in replacing unknown service lines. Mr. Taul noted that typically the utility company won't replace service lines, but for lead service lines replacement is at no expense to the homeowner up to 18" into the house. Trustee Gauf asked Mr. Taul to expand on galvanized lines. Mr. Taul explained galvanized can hold onto lead so it must be replaced as well. Trustee DeVore noted residents are curious about the filtration specifics. Mr. Taul agreed noting the first few years are the design phase where the system is reviewed in order to create the most efficient method of filtration for the water system. Trustee Wisenburg asked if filtration would be implemented in the first five years. Mr. Taul noted it would pending funding. Trustee Wisenburg asked about minerals and chemicals which might be regulated in the future. Mr. Taul noted it could be reviewed during the engineering phase. Trustee Wisenburg asked if brown water complaints could be mitigated in the next five years expressing concern about raising rates. Mr. Taul noted that brown water could be tricky because it had a lot of different sources. It could be a build up in the system, and the best method would be to scrub them out or replace them. He noted a good flushing program can help, mentioning a reverse flushing specifically which forces the water in the opposite direction to knock lose sediment. Mr. Taul noted the Village had discussed ice pigging which is a technique that forces slush through the mains in order to break lose sediment. A resident noted the Village would continue to have issues in the coming years because of the age of the system. Mr. Taul agreed noting that it's a long term program. Trustee Wigginton asked Mr. Taul what the costs might be in worst case scenarios. Mr. Taul noted explained current rates for financing are lower than the forecasted rates and explained grant opportunities coming from the federal government for these types of projects. Mr. Taul acknowledged things will change. Trustee Wigginton asked if municipalities in similar positions were getting grants, and Mr. Taul stated they were. Mr. Taul noted that they worked with a lot of small communities which applied for state funding to help fund large infrastructure projects. Director Aldrich noted there are water main projects which will be included as part of large roadwork projects. Some of the financing assumes grant financing, but there are still opportunities for the Village to reduce its costs through state loans, congressional appropriations, and other financing options. Mr. Taul noted that financing like the state loans review population and demographics when determining principal forgiveness and interest rates. He noted the SRF also occasionally distributes additional loan forgiveness at the end of the year based on funding. A resident asked if the Village had records of when the mains were installed. Trustee Gauf explained the Village has GIS maps which identify the ages of each section of water main. He noted that areas were built up at different times. A resident asked if there were risks in applying for the SRF funding each year and if there were limits. Mr. Taul noted Woodard and Curran's financing team consults on that, but he was unaware of any risks or limits. The Village simply needs to demonstrate sufficient funds to repay the debt service. Trustee Gauf asked if the age of infrastructure is considered as part of a grant application. Director Aldrich stated it was and that the federal and state agencies recognize the need.

Mr. Taul reemphasized the capital improvement plan was a living document. It needs to be reevaluated every year based on financing and funding opportunities. He stressed priorities would change and funding would change very quickly. He noted it was very important to keep revisiting the capital improvement plan and the rates and adjust as needed. Mayor Phelan thanked everyone in attendance and noted that clean, safe drinking water was a high priority. He noted the Village is seeking public input and encouraged comments.

Trustee Wisenburg asked if the INF would go away when rates were changed. Clerk Turner noted there are loans which rely on the INF fees for payment, and the Village should review loan agreements prior to any changes. Trustee DeVore explained the INF fee was included in future rates. Trustee Wisenburg expressed concern having two infrastructure fees. Clerk Turner suggested the Board consider including any rate increases as part of the INF which is tracked separately.

Director Aldrich noted the next step was direction on water rates. He noted that the Village has approved a grant agreement for a lead service line inventory as well as application materials for the SRF loan program.

Trustee Gauf explained he gets brown water at his house, and he understands no one wants that. He noted the importance of mapping the system because the water flow really does affect the sediment settling in the pipes. He noted if the Village can begin identifying the water flow it'll help the Village determine possible causes of brown water. Trustee DeVore asked if the Village can set up a system for reporting brown water complaints. Clerk Turner noted there was contact button on the Village's website. Trustee Wigginton asked Mr. Taul if water from another system would solve the problem. Mr. Taul disagreed stating that the system was pumping clear water, but there was sediment in the system. Trustee Gauf noted there was also sediment in the service line and in the interior lines in the house and noted solving brown water was very tricky. Mr. Taul agreed speaking about pressure differences. Trustee Wigginton noted that the majority of the Village's housing stock was built prior to 1980. Mayor Phelan asked how long it would take to design and create filtration. Mr. Taul stated filtration would stop issues coming into system, but it would not fix the issues within the system. It would take 6 months for design, then IEPA's permit process, then construction. Trustee Wigginton asked if filtration need to be singular or at each well. Mr. Taul stated it could be either. Trustee Wisenburg asked what was the most cost effective. Mr. Taul noted singular was most cost effective. Trustee Khazzam and Trustee Wisenburg noted that only addressed one mineral. Mr. Taul agreed. Superintendent Chandler asked about filtration that included future proofing, and Mr. Taul noted that required a lot of design so he didn't have an answer. Director Aldrich agreed noting design was important. Mayor Phelan asked about the quality of the water aquifer. Mr. Malach noted the water hadn't been analyzed, and that would be the first step of the filtration evaluation process. Superintendent Chandler pointed out the wells were located very close to wells for Illinois American Water. Director Aldrich noted he was aware the area had a good quantity of water. Mayor Phelan asked about water quantity or an opportunity to sell excess water. Director Aldrich noted the difficulty of getting water to where it's needed but allowed it was an option. A resident expressed concern selling water to other municipalities and the need to make filtration improvements prior to that.

Mayor Phelan asked for any other comments. Director Aldrich thanked Mr. Taul and Mr. Malach for their work on the capital improvement plan and helping the Village apply for grants.

Trustee Goett made a motion to adjourn, and Trustee Wisenburg seconded the motion. The Board of Trustees voted 6-0 to adjourn at 6:39 pm.

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Michael Phelan, Mayor

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Stephanie Turner, Village Clerk