

# VILLAGE OF HOMEWOOD



**BOARD AGENDA MEMORANDUM**

**DATE OF MEETING: March 12, 2024**

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**To:** Village President and Board of Trustees

**Through:** Napoleon Haney, Village Manager

**From:** John Schaefer, Director of Public Works

**Topic:** Proposal for Professional Engineering Services for the development of Homewood's Lead Service Line Replacement Plan and IEPA State Revolving Fund Loan Application

## **PURPOSE**

Public Act 102-0613 creates the Lead Service Line Replacement and Notification Act. The Act requires owners or operators of community water supplies, such as municipalities, to develop and maintain a complete material inventory of lead service lines, and to implement a comprehensive plan for the replacement of those lines according to prescribed timelines based on the number of lead service lines reported in the material inventory. The Act requires communities to develop a plan to replace the lead service lines over the next 17 years. The anticipated cost estimate for Homewood's lead line replacements is over 30 million dollars.

The Act requires community water suppliers like Homewood to complete an initial material inventory by April 15, 2022, and provide an updated material inventory to the Illinois Environmental Protection Agency (IEPA) by April 15, 2023. ***A final material inventory must be submitted to IEPA no later than April 15, 2024.*** The inventory must report the composition of all lead service lines in the water distribution system, whether they are suspected, known, or unknown. Public Works staff has worked diligently to complete Homewood's inventory, now the more heavier-lifting processes are required. Due to the high value of this project and because of the various technical work and deadlines, staff requested Burns & McDonnell, of Chicago, IL, to submit a proposal for professional engineering services to assist the Village of Homewood in developing a Lead Service Line Replacement (LSLR) Plan in accordance with the United States Environmental Protection Agency (USEPA) and IEPA requirements. As part of their services, Burns & McDonnell will also assist the Village in applying for an IEPA State Revolving Fund (SRF) loan for lead line replacements.

## ***State Revolving Fund (SRF)***

The State's Wastewater and Drinking Water loan programs provide low-interest loans through the State Revolving Fund (SRF). The SRF includes two loan programs: the Water Pollution Control Loan Program (WPCLP) which funds both wastewater and stormwater projects, and the Public Water Supply Loan Program (PWSLP) for drinking water projects. These programs are annually the recipients of federal capitalization funding which is combined with state matching funds, interest earnings, repayment money, and the sale of bonds to form a source of financing for infrastructure projects.

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The State Revolving Fund (SRF) yearly cycle is based on the State of Illinois fiscal year, which starts July 1st and ends June 30th. Because funding is limited, projects with approved planning are scored and ranked on the Intended Funding List (IFL) to prioritize which ones will receive loan program resources during a specific fiscal year. Loan applicants are advised not to advertise their projects for bids until money is reserved. More detailed information regarding this loan program will be shared in the upcoming months.

## PROCESS

### *Burns & McDonnell*

Burns & McDonnell Engineering of Chicago, IL may sound familiar mainly because of their successful engineering and oversight of the Village's \$12M self-funded Water Main Transmission Project. This project was completed on time and on budget. Burns & McDonnell has a trusted, honest, and proven reputation in Homewood and nationwide.

### *Initial Submission for Professional Services*

Staff estimates that Homewood's Lead Service Line Replacement project could cost \$30M, over the next 17 years, to complete. Staff reached out to Burns & McDonnell who met with our team, listened to our concerns and expectations, and provided the Village with a scope of services. The initial scope of work had a justifiable cost for services of over \$200,000. Staff worked with Burns & McDonnell and was able to focus on the three critical tasks that were pressing due to the upcoming deadlines. The revamped scope of work for the three most critical tasks is \$66,983. Staff will evaluate the other possible tasks at a later date and will present them, if necessary, to the Village Board for review and approval.

### *Scope of Work and Tasks*

The Public Works Department previously submitted Homewood's initial lead service line inventory to the IEPA. The next steps in the process require Homewood to submit a fully-developed Lead Service Line Replacement Plan to the IEPA. Burns & McDonnell's proposal listed the required components in their Task Lists (1 and 2) that must be submitted to the IEPA by April 15, 2024 (see below). Task 3 of the proposal includes Burns & McDonnell's management and coordination of these processes and deliverables.

### *Summary of Proposal Tasks as listed in the Burns & McDonnell Proposal (critical Tasks)*

#### *Task 1: LSLR Plan*

- Lead Service Line Inventory
- Strategy for Determining Materials
- Procedures for Full Replacement
- Replacement Schedule
- Customer Notification
- Public Outreach Strategy
- Prioritization Strategy
- Funding Strategy

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- Flushing Procedure
- Diversity Measures
- Meetings and Deliverables

## *Task 2: IEPA Project Plan and SRF Loan Application*

- Applicant Information
- Front end bidding documents
- Project Information
- Contact Information
- Project Schedule
- Estimated Project Costs and Requested Financing
- Loan Repayment Period and Pledged Revenues
- System Information
- Current and Future Debt, including approved ordinance
- Legal Opinion from the Village's legal counsel
- Property and Sales Tax Information
- Financial Projections

## *Task 3: Project Management and Coordination*

This task includes project management, coordination with the Village, and internal coordination with Burns & McDonnell staff for Tasks 1 and 2.

## **OUTCOME**

Burns & McDonnell proposes to perform Tasks 1 through 3 on a lump sum basis of **\$66,983**. Below is the summary table and schedule.

<b><u>Task</u></b>	<b><u>Task Total</u></b>
Task 1 – Lead Service Line Replacement Plan	\$ 35,550
Task 2 - IEPA Project Plan and State Revolving Fund - Loan Application	\$ 23,440
Task 3 - Project Management and Coordination	\$ 7,993
<b>Scope Total</b>	<b>\$ 66,983</b>

## *Scheduled Benchmarks*

- IEPA Lead Service Line Replacement (Plan Draft) – April 8, 2024 (*Village comments to be received back by close of business on April 10, 2024*)
- IEPA Lead Service Line Replacement Plan Final – April 15, 2024 (*to be electronically submitted to the IEPA by the Village not later than April 15, 2024*)
- IEPA Project (Draft) – June 28, 2024\*
- IEPA Project Plan (Final) – July 26, 2024\*
- IEPA SRF Loan Application (Draft and Final) – TBD (contingent upon IEPA plan approval)

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## *Additional Tasks to be Presented in the Future*

Burns & McDonnell submitted a proposal for additional work that will be required for the Village's Lead Service Line Replacement program in the future. Staff will evaluate and consider the additional scope and tasks and will present to the Board as needed.

## **FINANCIAL IMPACT**

- **Funding Source:** Water/Sewer Fund
- **Budgeted Amount:** \$0
- **Cost:** \$66,983

## **LEGAL REVIEW**

Not required

## **RECOMMENDED BOARD ACTION**

Approve a budget amendment of \$66,983 to the water/sewer fund, and, accept and approve a proposal from Burns & McDonnell of Chicago, IL in the amount of \$66,983 for professional engineering services (Tasks 1, 2 and 3) to assist the Village of Homewood in developing a Lead Service Line Replacement Plan in accordance with the United States Environmental Protection Agency and Illinois Environmental Protection Agency requirements.

## **ATTACHMENT(S)**

Burns & McDonnell Engineering Services Proposal