

**MINUTES OF A COMMITTEE OF THE WHOLE MEETING  
OSWEGO VILLAGE PRESIDENT AND BOARD OF TRUSTEES  
OSWEGO VILLAGE HALL  
100 PARKERS MILL, OSWEGO, ILLINOIS  
September 17, 2019**

**CALL TO ORDER**

President Troy Parlier called the meeting to order at 6:04 p.m.

**ROLL CALL**

Physically Present: President Troy Parlier and Trustees James Marter, Terry Olson, Pam Parr, Judy Sollinger and Brian Thomas.

Absent: Trustee Luis Perez

Staff Present: Dan Di Santo, Village Administrator; Christina Burns, AVA/HR Director; Tina Touchette, Village Clerk; Jeff Burgner, Police Chief; Jennifer Hughes, Public Works Director; Mark Horton, Finance Director; Rod Zenner, Community Development Director; Jenette Sturges, Community Engagement Coordinator, Marketing; Jay Hoover; B&Z Manager; Tim Zasada, Asst. Public Works Director Utilities; Carri Parker, Purchasing Manager; Susan Quasney, Project Engineer; Karl Ottosen, Village Attorney; and Ryan Morton, Village Attorney.

**CONSIDERATION OF AND POSSIBLE ACTIONS ON-ANY REQUESTS FOR ELECTRONIC PARTICIPATION IN MEETING**

There was no one who attended electronically.

**PUBLIC FORUM**

Public Forum was opened at 6:04 p.m. There was no one who requested to speak; the Public Forum was closed at 6:04 p.m.

**OLD BUSINESS**

There was no Old Business.

**NEW BUSINESS**

**F.1. Lead Service Line Replacement Program Discussion**

Asst. Director Zasada addressed the Board regarding lead service line replacement. Congress banned the use of lead in construction of water systems in 1986, but there were still many lead lines that remained in use. The Reduction of Lead in Drinking Water Act was signed into law in January 2014, which reduced the allowable lead content in drinking water. In 2015, the danger of lead service lines became a national headline after very high lead levels were found in drinking water in Flint, Michigan. The Environmental Protection Agency (EPA) has been working with industry stakeholders to develop a mitigation procedure for eliminating lead water service lines. The Illinois Department of Public Health (IDPH) no longer allows utilities to partially replace lead service lines, citing the Lead Poisoning Prevention Code as their rationale. To date, IDPH has been reluctant to clearly define their position regarding lead service line replacement and has yet to provide definitive guidance on the subject. Currently, Senate Bill 3080 is moving through the House and Senate which proposes every community in Illinois develop a plan to remove all known private and public lead service lines within the next 10 years.

The Village's first step in this program is to identify homes that have lead service lines. All homes built before the 1986 Lead Ban were specifically targeted during the first year of the meter change out. Approximately 1,150 of the 1,200 houses built before 1986 have been inspected and five privately-owned lead services have been identified. As part of the meter change out program, the Village has been proactive in identifying and documenting the active private side lines while the technician is on-site. The Village has also budgeted \$50,000 to replace lead services in FY20. Using a general accepted number among municipalities in the area, staff is assuming a cost estimate of \$10,000 to be split evenly between the private and public portions. However, actual costs could vary significantly, due to variability in the length of lines and complexities involved to get to the meter location for a particular house.

Currently, there is no mandate for municipalities to remove lead services. The intent is to stay ahead of proposed regulations and eliminate the lead from the community water system. It is important to understand that not all parts of the water system are maintained by the Village. A “water service line” is the pipe that delivers water from the water main to a building, but the line is divided into two sections. The Village is responsible for maintaining the section between the water main and the buffalo box (b-box), which houses a water shut off valve. The b-box is typically located near the edge of private property. The property owner is responsible for the section from the b-box to the water meter. While the Village would clearly be responsible for replacing lead lines to the b-box, there is no requirement for the private side line to be paid for through public funding.

Staff is ready to take the initial steps towards replacement of the identified lines, which includes talking with the owners identified with lead services, the competitive bidding process for a contractor and obtaining temporary construction easements. The Village is very fortunate to have relatively few active lead service lines to be replaced, compared to other communities. Montgomery has reported 110 lead service lines and has decided to pay for both private and public side lead service replacement, as has Plainfield, with between 150 and 200. Other nearby communities, such as Joliet and Aurora, are reporting between 15,000 and 20,000 lead lines and cannot afford to replace private service lines at their expense. Various options being offered to residents include public-private cost sharing options or 0% interest loans to be paid back over a four to five-year term. It is standard practice for municipalities to require owners to sign a statement if they refuse to have their private service line replaced for any reason. This paperwork is filed with the IDPH for documentation purposes.

Five options were presented to the Board for consideration and direction:

- 1) Private service line replacements are fully funded by the Village
  - The contractor, selected by staff for the public side replacement, would also do the private section
  - Due to economy of scale, the unit prices are anticipated to be slightly lower than only bidding half the length of replacements
  - A 100% participation rate by property owners is anticipated
  - The private side work will cost the Village an estimated \$25,000, based on the five known service lines.
    - This could be higher, depending on how many houses with lead lines are discovered during the remaining 50 inspections
- 2) The Village offers a public-private cost sharing option based on the actual cost of replacement
  - The contractor, selected by staff for the public side replacement, would also do the private section
  - Due to economy of scale, the unit prices are anticipated to be slightly lower than only bidding half the length of replacements
  - Due to variability in requirement construction techniques and length of service lines, one property owner’s expense for replacement could be considerably more expensive than the next.
  - Construction difficulties are not always foreseeable and predictable prior to construction
  - If construction costs cannot be guaranteed, there may be pushback by property owners on agreeing to cost sharing, and to having the private side lead lines replaced, without a mandate in place
- 3) The Village offers a public-private cost sharing option with a set contribution cost, presumed to be set at \$5,000 or less
  - The contractor, selected by staff for the public side replacement, would also do the private section
  - Due to economy of scale, the unit prices are anticipated to be slightly lower than only bidding half the length of replacements
  - Property owners have a known expense prior to construction
  - The Village would likely incur some additional cost for the private side construction, but the full \$25,000 estimate could be significantly offset by the property owner’s contributions
  - Even if costs are guaranteed, there may be pushback by property owners on agreeing to cost sharing, and to having the private side lead lines replaced, without a mandate in place
- 4) The private side replacement is performed by the Village-chosen contractor. The Village provides a 0% loan to the property owner for the replacement, to be paid back over a 4- to 5-year term
  - The contractor, selected by staff for the public side replacement, would also do the private section

- Due to economy of scale, the unit prices are anticipated to be slightly lower than only bidding half the length of replacements
  - The Village would have to provide funding at the time of construction
  - The Village would have to manage the terms of the loans with the property owners over several years and handle any potential defaults on those loans
  - Due to variability in requirement construction techniques and length of service lines, one property owner's expense for replacement could be considerably more expensive than the next
  - Construction difficulties are not always foreseeable and predictable prior to construction
  - There may be pushback by property owners on agreeing to the loan and to having the private side lead lines replaced, without a mandate in place
- 5) The cost and management of the private side replacement would be entirely the responsibility of the property owner
- The Village would not incur any private side replacement costs
  - The contractor, selected by staff, would only be doing the public side replacement and the unit prices for the public side replacement are anticipated to be higher than under the other four options
  - There is a high probability that not all property owners would replace private side lead lines without a mandate in place

Due to the relatively few private side lead service lines in the Village, the related costs and the high likelihood of cooperation by property owners, staff recommended Option 1.

Board and staff discussion focused on 5,500 meters installed so far; 11,500 total; \$50,000 budgeted each year for service line replacements; private versus public lines; cannot do partial replacements; Public Works provided this presentation last year; originally thought there would be 1,000 lines needing replacement; only have six that need replacement so far; Aurora and Rockford have 15,000-20,000 lines needing to be replaced; moving forward with the contract; getting hold of homeowners; could get completed this year; every test taken comes back with no lead in the lines; homes could have lead fixtures that the Village does not know about; line replacement will be coming as a mandate to the Village; 50 more inspections to be done; could have another six lines that need to be replaced. Staff directed to proceed with recommendation. There was no further discussion.

## F.2. Amending Village Code Title 1 Chapter 19: Purchasing and Implementation of the Procurement Policies and Procedures Manual.

Manager Parker addressed the Board regarding the purchasing code amendment. In 2016, the Illinois Municipal Code (65 ILCS 5/8-9) increased the threshold requiring bids for public works projects to \$25,000 from \$20,000. Currently, the Village operates under specific guidelines regarding purchases, some of which are written and others through Village ordinances. There is not a comprehensive policy covering the purchasing process. Over the last several months, staff, working closely with the Village Attorney, researched, drafted and reviewed proposed changes to the code. The intent was to maintain an open and fair transparent procurement process. In reviewing the code, some information was revised for clarification and similar information was combined into a single section. Staff also recommended a number of administrative processes be removed from the code. The draft policy manual was provided. The following is a summary of the recommended changes:

- Referenced actual code and removed repetitive language that can be found in the Illinois Municipal Code.
- Competitive Bidding Requirement increased from \$20,000 to \$25,000 per state statute
- Updated titles to be uniform with entire code – Finance Director changed to Village Administrator.
- Removed procedural language that can be found in the Procurement Policies and Procedures Manual or Financial Policies.
- Removed duplicate or redundant information.
- 1-19-1: Procurement Objectives:
  - Procurement deals with the sourcing activities, negotiation and strategic selection of goods and services that are usually of importance to an organization. Purchasing is the process of how goods and

services are ordered. Therefore, changed the code and section title to reflect procurement not purchasing.

- 1-19-2: Purchasing Requirements:
  - Changed the section title from Competitive Bidding Requirements to Purchasing Requirements and these requirements are not just for competitive bidding this includes Request for Proposals.
  - Smaller purchases are addressed in the Procurement Policies and Procedures Manual
- 1-19-5: Bid Exemptions:
  - Added additional information about sole source purchases
  - Reflected that purchases using local preference can be exempt from the bidding process
  - Reworded the type of specialty contracts that can be exempt
  - Added purchases for IT, copies and used items.
  - Removed requirement to waive bidding for any purchases as long as the Board of Trustees approves such purchase by a 2/3rds vote.
- 1-19-6: Cooperative Procurement:
  - Added this section to reflect purchasing coops and shared services.
- 1-19-7: Surplus Property:
  - New to the policy and provides direction on how village-owned property should be disposed of.
- 1-19-8: Change Orders:
  - Increased the amounts to reflect the purchasing threshold
  - Reworded so as all should require a change order if increased from the original contract amount.
- 1-19-10: Spending Limits:
  - Moved amounts to the procurement manual and added authorization requirements for purchases.
- 1-19-11: Signing of Contracts:
  - Added to the policy for consistency to establish who is responsible for signing contracts for a particular threshold.

The Procurement Policies and Procedures Manual consolidates various policies and practices of the Village, as well as general best practices in procurement. The manual contains instructions regarding policies, procedures, and practices for the procurement of goods and services. The purpose of the manual for uniformity and efficiency in the procurement of goods and services; and as means of training for current and future Village personnel. The manual was developed to aid all employees directly or indirectly associated with the function of purchasing, including using the purchasing and payment programs in the new Munis ERP system. The manual is intended for use by the Village's personnel as a general reference and will be revised as policies and procedures require revisions or clarification. The manual serves as a guideline and is subject to change periodically by the Village Administrator.

Board and staff discussion focused on removing repetitive language; not tying the Board's hands; not wanting three layers to get things done; don't want to lose authority; making the competitive bidding process smoother; Purchasing Manager initiated the recommended changes; process on how bids are received, opened, read and approved; process on how quotes are solicited; some vendors have specific territories. There was no further discussion.

### **CLOSED SESSION**

A motion was made by Trustee Thomas and seconded by Trustee Olson to enter into Closed Session for the purposes of discussing the following:

- a. Sale, Lease, and/or Acquisition of Property [5 ILCS 120/2(c)(5) & (6)]

Aye: James Marter II  
Pam Parr  
Brian Thomas

Terry Olson  
Judy Sollinger

Absent: Luis Perez

Nay: None

The motion was declared carried by a roll call vote with five (5) aye votes and zero (0) nay votes.

The Board adjourned to Closed Session at 6:31 p.m.

The Board returned to open session at 7:05 p.m.; all remaining members still present.

**ADJOURNMENT**

The meeting adjourned at 7:05 p.m.

Tina Touchette  
Village Clerk