

Village of Carol Stream

Special Meeting of the Village Board

FY 2018/19 Budget Workshop

Water Meter Pilot Program Review

Carol Stream Fire Protection District – Fire Station 28

365 Kuhn Road, Carol Stream, IL 60188

December 4, 2017

6:00 p.m. – 7:25 p.m.

Meeting Notes

ATTENDANCE:

Mayor Frank Saverino, Sr.
Trustee Dave Hennessey
Trustee Matt McCarthy
Trustee Rick Gieser
Trustee Mary Frusolone
Trustee John LaRocca
Village Clerk Laura Czarnecki

Joseph E. Breinig, Village Manager
Bob Mellor, Assistant Village Manager
Tia Messino, Asst. to the Village Manager
Marc Talavera, IT Director
Jim Knudsen, Engineering Director
Phil Modaff, Public Works Director
Ed Sailer, Police Chief
Don Bastian, Community Dev. Director
Jon Batek, Finance Director
Caryl Rebholz, Emp. Relations Dir.
John Jungers, Deputy Police Chief
Ron Roehn, Supt. of Operations

ABSENT: Trustee Greg Schwarze

The meeting was called to order at 6:00 p.m. by Mayor Frank Saverino, Sr. and the roll call read by Village Clerk Laura Czarnecki. The result of the roll call vote was as follows:

Present: Mayor Saverino, Sr., Trustees Hennessey, LaRocca, Gieser, Frusolone and McCarthy

Absent: Trustee Schwarze

FY 2018/19 Budget Workshop

Finance Director Jon Batek reviewed possible new revenue sources with the Village Board to make up losses in Village revenues from the loss of Office Depot, the State of Illinois and other sources. Staff will not have a revenue recommendation until the 2019 budget expenditures are developed.

FY19 Preliminary Budget Discussion Revenue Sources included:

- Property Tax
- Home Rule Sales Tax
- Local Motor Fuel Tax
- Food and Beverage Tax
- Utility Tax-Water

- Stormwater Utility Fee

Property tax likely an FY 2020 Option. Home Rule sales tax very popular among Carol Stream peers. The Village of Carol Stream is at the low end of home rule sales tax rate. A rate increase of .25% should generate approximately \$1.3 million. Trustee LaRocca feels this is a good option.

Gas tax –Local MFT. Trustee Frusolone and the other Trustees likes this option as non-village residents contribute to this revenue. No Trustee had a problem with this tax. Gas tax revenues must be used for road projects and would free up GCF dollars. Previously used for road work.

Food and Beverage tax – a 1% tax would generate about \$525,000. Trustee McCarthy would not want the home rule sales tax and the food and beverage tax to apply simultaneously. Trustee Frusolone is concerned with the amount of staff time to administer this tax. Mayor Saverino wants to give staff all the tools it needs to fund Village operations. Trustee McCarthy not wild about this revenue source.

Utility Tax (water) – not a popular or prevalent source of income among our peers. Trustee Frusolone prefers other revenue options to a utility tax on water.

Solid Waste Utility Fee – fee would apply to all property based on their impermeable surface (commercial, industrial, residential and religious, etc.) The Village Board felt this was a very confusing revenue source. This would be controversial. A Solid Waste fee would take over a year to implement and require public meetings to educate the residents.

Water Meter Pilot Program Review

Director of Public Works Phil Modaff reviewed highlights of the Village’s water meter program which include:

Program Highlights

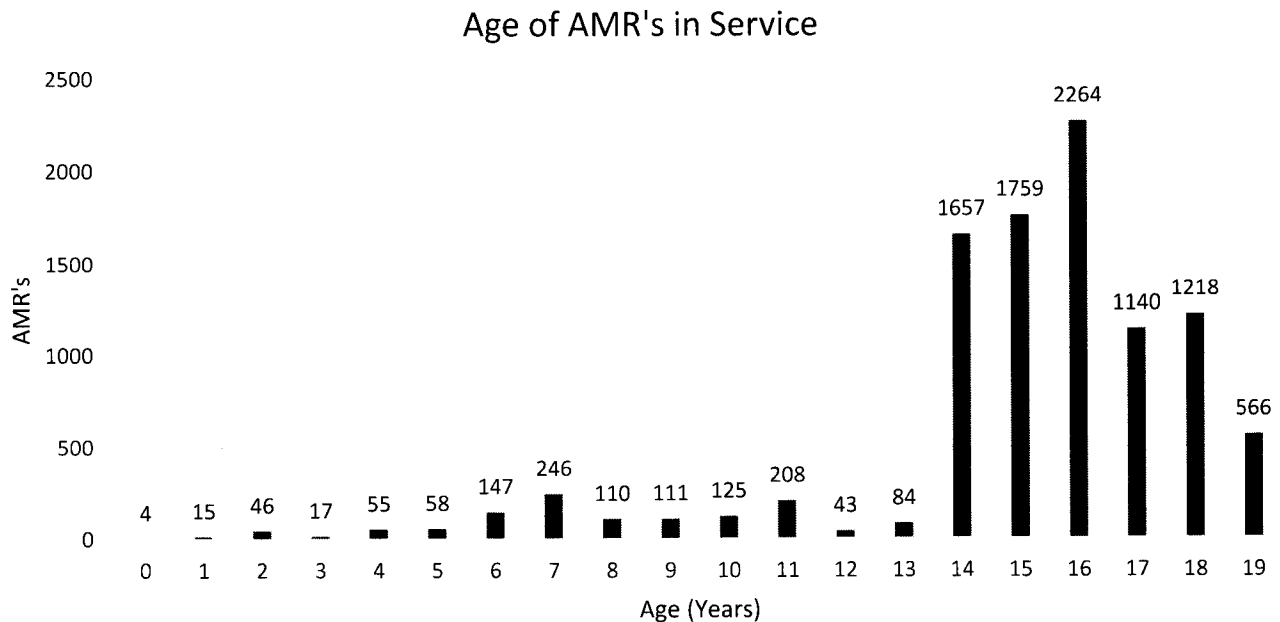
- ▶ 115 meters tested
- ▶ Greater than 25 years old
- ▶ Meters removed and sent to third-party testing company
- ▶ Tested at three flow levels – low, medium and high

Testing Results

- ▶ **American Water Works Association Standard: “accurate” meters are those that test within 3% of actual flow**
- ▶ At the **low flow rate** meters tested on average at 95.17% accuracy. At this flow rate 65% tested within the standard.
- ▶ At the **medium flow rate** meters tested on average at 99.43% accuracy. At this flow rate 97% tested within the standard.
- ▶ At the **high flow rate** meters tested on average at 99.24% accuracy. At this flow rate 99% tested within the standard.
- ▶ **Conclusion:** assuming the meters less than 25 years old are operating with similar or better results, mass meter replacement is not warranted at this time.

Emerging Issue

- ▶ An Automatic Meter Reading device (AMR) is installed with each meter.
- ▶ The AMR does not *measure* water consumption, but rather captures the consumption as measured and recorded by the meter.
- ▶ The AMR is the transmitting device which is read by vehicle-mounted, meter reading equipment.
- ▶ The AMR is powered by a battery (the meter has no power source).
- ▶ There are currently 10,000 AMR's in service (on meters under 2")
- ▶ 85% of AMR's in service are greater than 13 years old
 - ▶ The oldest AMR's (installed pre-2005) have a life-expectancy of 10 years (initially thought to be 7-8 years)
 - ▶ AMR's installed starting in 2005 have a life expectancy of 10 – 15 years
 - ▶ AMR's installed starting in 2012 have a life expectancy of 20 years.



- ▶ The replacement of AMR's over the three most recent 12-month periods is as follows:
 - ▶ 2014-15: 236
 - ▶ 2015-16: 235
 - ▶ 2016-17: 284
 - ▶ Based on the age of AMR's in service and the life-expectancy of the various units, consideration should be given to planning for replacement of AMR's

Options

- ▶ Do nothing and replace AMR's as they fail
- ▶ Develop a replacement program

- ▶ **Mass replacement** (all in 1 year) over a certain age (> 14 years?)
- ▶ **Phased replacement**, starting with the oldest, over a period of years (3, 4, 5 years?)
- ▶ Budget for replacement
 - ▶ If all AMR's purchased at one time, cost is estimated at approximately \$1.1 million (assumes replacement of oldest 8,600 AMR's)
 - ▶ If planned for 2,850 per year, equipment cost would be approximately \$393,000 per year (assumes replacement of oldest 8,600 AMR's over 3 year period and current pricing)
- ▶ "Do nothing" option:
 - ▶ in-house staff can attempt to keep up with failures and change out the oldest ones as we come across them.
 - ▶ If rate of failure increases significantly, more resources will need to be directed to this work
- ▶ Mass replacement:
 - ▶ 2-3 maintenance staff and one full-time administrative staff needed; OR,
 - ▶ Hire contractor to schedule and make replacements
- ▶ Phased replacement:
 - ▶ At least 1 maintenance staff (plus currently dedicated meter person)
 - ▶ Significant additional administrative hours required

Summary


- ▶ Meter replacement is not recommended at this time
- ▶ AMR replacement should be considered
 - ▶ Most AMR's are *well beyond* expected useful life
 - ▶ "Do nothing", one-year or multi-year program options
 - ▶ In-house staff capable (and willing)
 - ▶ Will impact current operations functions
 - ▶ Will impact administrative function

Staff is not recommending replacement of water meters at this time. However, 85% of the AMRs are older than 13 years and the older batteries are beginning to fail. The risk of a meter failure is a loss of water metered revenue. When an AMR fails, we do not lose the meter data, but only the ability to read the meter remotely.

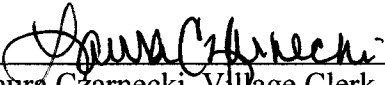
Trustee McCarthy feels a phased replacement program makes sense. Trustee Frusolone asked the cost of changing AMRS in-house vs. using a contractor. Staff will look at a phased AMR replacement program using in-house employees and contractors.

There being no further business, Trustee Hennessey moved and Trustee McCarthy made the second to adjourn the Special Board meeting. The meeting was adjourned unanimously at 7:25 p.m.

FOR THE BOARD OF TRUSTEES


 Frank Saverino, Sr., Mayor

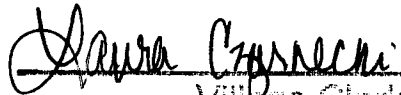
ATTEST:



Laura Czarnecki, Village Clerk

Minutes approved by the President and Board of Trustees on this

18th day of December, 2017.



Village Clerk