

# **Walker: "Unfortunate" that city needs to privatize water resources due to mounting debt**

by Cory Davenport, Contributing Writer  
April 11 2018 11:18 AM



ALTON – The privatization of Alton's municipal water is one step closer after the measure passed through committee Monday night.

That measure, which would give Illinois American Water the city's outdated 54-year-old water plant as well as the responsibility to oversee a federally-mandated sewer separation from the EPA (estimated to cost between \$50-\$60 million), would give the City of Alton a windfall of \$53.8 million. Alton Mayor Brant Walker said the city itself would not see any of that money, because it is committed to paying towards more than \$100 million in unfunded pension mandates, which Walker said have not been paid by the city for more than three decades previous to his administration. That sale will be taken to the Alton City Council Wednesday night for approval.

“It is unfortunate,” Walker said of the sale, “however, there are no options for the city to have this money. You cannot go bankrupt in Illinois, but we are mandated to pay and don't have the money.”

If it passes through council, the sale will go to the Illinois General Assembly as well as the Illinois Commerce Commission for approval. Once approved by those entities, Illinois American Water will take over the municipal water and sewers for Alton residents. By their figures, as many as 85 percent of Altonians will see their water rates drop by \$2-\$4 a month.

That rate figure is based on an average of 3,500 gallons a month used – a figure disputed by officials speaking on the condition of anonymity, who speculated water usage for many Altonians to be on average around 5,000 gallons a month. Walker himself said his household uses between 4,800-5,000 gallons a month, but confirmed the average rate of usage as calculated by Illinois American water was 3,500 gallons a month.

Illinois American Water Communications and External Affairs Manager Terry Mackin said many of the details between the city and his corporation are remaining confidential at this time, but said Altonians will not notice any major changes after the purchase of the plant, assuming it goes through as expected.

“If approved, there would be no immediate difference for Alton residents,” Mackin said in an email. “All current City of Alton wastewater employees will have positions with us. We would need their experience, knowledge and skills to continue to provide high-quality service.”

Current Alton Wastewater Treatment Plant Director Steve Gibson said employees would be given positions under Illinois American Water at equal or greater pay. Gibson and Walker also said a resource recovery center, which would use wastewater solids to generate renewable energy through natural gas, was still in the works, despite former plans being based on the aging wastewater treatment plant. Those plans will be revealed at an April 25, 2018, Alton City Council meeting.

When asked why the City of Alton was in such dire straits it needed to privatize its water resource, Walker blamed former administrations as well as unfunded mandates. He said the administration of Donald Sandige was sued in the 1990s by the police department and firefighters due to unfunded mandates.

He also said the EPA-mandated sewer separation was known to be needed as early as 1994, with reminders in the early 2000s. He said none of the work on that was being done until his administration in 2013. That separation needs to be completed within the next six years.

Besides the windfall from the potential sale of the wastewater treatment plant to Illinois American Water, Walker said the city is pledging \$4 million from its own budget toward the unfunded pension mandates this fiscal year, which he said would make the piling debt more manageable for a city the size of Alton.

Another unfunded mandate is currently being proposed for cities the size of Alton as well, which would remove the amount of nitrates being polluted through the water system. That mandate, if passed, would cost the city more than \$10 million as well.

“EPA unfunded mandates are just killers for cities the size of Alton,” Walker said. “We have to spread our expenses over our users, and in cities as small as Alton, that causes rates to skyrocket.”

Mackin said Illinois American Water is excited to expand the company's involvement with the city - a partnership he said has existed for more than a century.

"We continue to work with city leadership," Mackin said in an email. "We appreciate the continued confidence the city has shown in us. We have been providing water service here for more than 140 years. We are excited about the potential of broadening our partnership to include wastewater."