

VILLAGE OF HOMEWOOD  
BOARD OF TRUSTEES MEETING  
TUESDAY—July 9, 2019  
VILLAGE HALL BOARD ROOM

CALL TO ORDER: Village President Hofeld called the regular meeting to order at 7 p.m. There were eight members of the public and three press representatives present.

PLEDGE OF ALLEGIANCE: Village President Hofeld led trustees in the Pledge of Allegiance.

ROLL CALL: Clerk Marilyn Thomas called the roll. Those present were Village President Richard Hofeld, Trustee Barbara Dawkins, Trustee Lisa Purcell, Trustee Karen Washington, Trustee Lauren Roman, Trustee Jay Heiferman and Trustee Larry Burnson.

INTRODUCTION OF STAFF: Village President Hofeld introduced staff members in attendance: Village Manager Jim Marino, Village Attorney Christopher Cummings, Police Chief Bill Alcott, and Director of Finance Dennis Bubenik.

MINUTES: The minutes of the regular meeting of June 25, 2019, were presented. There were no comments or corrections.

A motion was made by Trustee Purcell and seconded by Trustee Burnson to approve the minutes as presented.

***Roll Call: AYES—Trustees Dawkins, Purcell, Roman, Heiferman and Burnson. NAYS -None. ABSTAINED--Trustee Washington. Motion carried.***

CLAIMS LIST: The Claims List of \$499,591.78 was reviewed. There were no questions from the Trustees.

A motion was made by Trustee Burnson and seconded by Trustee Heiferman to approve the Claims List as presented.

***Roll Call: AYES—Trustees Dawkins, Purcell, Washington, Roman, Heiferman and Burnson. NAYS -None. Motion carried.***

President Hofeld said four items totaled approximately 80 percent of the Claims List: \$213,456.45 for July employee health insurance; \$138,000 to Signal & Fire Apparatus LLC for the purchase of a used fire engine; \$23,782.02 to Traffic Control Co. for street marking; \$23,100 to Lauterbach & Amen LL for the 2019 audit.

PRESENTATION: OATH OF OFFICE/POLICE DEPARTMENT-RECORDS CLERK:

Clerk Thomas swore in Dennis Peters as the records clerk for the police department. He is filling a vacancy created through a retirement.

Chief Alcott said Peters is a returned sergeant from the Hazel Crest Police Department. He has been working part-time in Homewood since October 2017 and he started full-time on June 3, 2019.

HEAR FROM THE AUDIENCE: President Hofeld invited members of the audience to offer comment on any subject not on the agenda. No comments were offered.

OMNIBUS REPORT: Clerk Thomas presented the Omnibus Agenda:

- A. ORDINANCE MC-1018/ESTABLISHING A LOCAL MOTOR FUEL TAX: Pass an ordinance amending Chapter 102 of the Homewood Municipal Code establishing a local motor fuel tax.
- B. FINANCIAL INCENTIVE REQUEST/GLORIA JEANS COFFEE-18322 GOVERNORS HIGHWAY: Authorize the Village President to enter into an agreement with Vincent Cryns to reimburse eligible expenses for improvements to the business located at 18322 Governors Highway up to a maximum amount of \$35,000 under the Village of Homewood Business Incentive Program.
- C. BUDGET AMENDMENT/PROPERTY TAXES:
  - i. BUDGET AMENDMENT/DOWNTOWN TOD TIF: Consider a motion to approve a budget amendment increasing the Downtown TOD TIF Miscellaneous line item (27-3-513-53-8000) in the amount of \$68,697.00 for the 2018 second installment property tax payment for the former Triumph Building at the southwest corner of Ridge Road and Martin Ave. acquired by the village in 2018.
  - ii. BUDGET AMENDMENT/SOUTHGATE TIF: Consider a motion to approve a budget amendment increasing the Southgate TIF Miscellaneous line item (43-3-516-53-8000) in the amount of \$9,571.00 for the 2018 second installment property tax payment for the parking lot behind Cilantro Restaurant acquired by the village in 2018.

A motion was made by Trustee Purcell and seconded by Trustee Roman to accept the Omnibus Agenda as presented.

***Roll Call: AYES—Trustees Dawkins, Purcell, Washington, Roman, Heiferman and Burnson. NAYS –None. Motion carried.***

### NEW BUSINESS; ALTERNATE WATER SUPPLY OPTIONS:

Village Manager Jim Marino and Public Works Director John Schaefer shared with trustees information on four options for future purchases of Lake Michigan water.

Marino said Homewood has been purchasing water from Harvey for many years. Harvey was sued by the City of Chicago in 2012 for nonpayment on the purchase of Lake Michigan water. It owes Chicago more than \$20 million. Homewood has been paying its bills directly to Harvey, not Chicago. After Harvey defaulted on a payment plan that would have retired this debt, a judge in the Circuit Court of Cook County assigned a receiver to oversee Harvey water department's operations. He is to determine how Harvey can pay its debt, and maintain its system.

Homewood has a contract for water with Harvey through 2022 at a rate of \$4.51 per 1,000 gallons. Of all the municipalities that purchase water from Harvey, only Homewood has a current contract. Homewood also pays the lowest rate of all Harvey's municipal water customers. When this disparity came to light, the receiver proposed that all of Harvey's water customers share a master contract and purchase water at \$7.17/1,000 gallons. Homewood hired Baxter & Woodman Engineers to determine Harvey's cost to deliver water to Homewood. The firm estimated Harvey's cost between \$4.04 and \$4.81, and up to \$5.15 (all per 1,000 gallons) if capital improvements to the system were factored into the cost. After many rounds of negotiations, the receiver offered to sell water to Homewood at the rate of \$5.57/1,000 gallons.

Chicago Heights gets Lake Michigan water from Hammond, Ind. Chicago Heights approached Homewood many months ago with a proposal to sell Lake Michigan water provided by Hammond. Talks between Chicago Heights-Hammond-Homewood have resulted in a proposed rate of \$4.05/1,000 gallons, provided Homewood constructs the pipeline to connect to the Chicago Heights water line. Chicago Heights and Hammond have offered to limit future rate increases to the Consumer Price Index, with a 1% minimum and 3% maximum annual increase.

Homewood would need to build a water main to tap into the Chicago Heights system. The planning and construction would take about three years. Marino said that the Chicago Heights plan is one option open to Homewood. The village also could link to Oak Lawn's Lake Michigan water system through Olympia Fields; it could stay with Harvey; or it could become part of a new water agency with South Holland, East Hazel Crest and Thornton. The agency would buy or manage the Harvey water system and has suggested a water rate of \$4.25/1,000 gallons. Marino said this would still tie Homewood to Chicago with no guarantee that future rate increases would be based upon the Consumer Price Index. It also means taking over the Harvey system, which needs work. There is also talk that this agency could work to construct its own main into Lake Michigan and operate its own system.

Public Works Director Schaefer said the new water main linking into the Chicago Heights system would be a connection at either Glenwood or Thornton. Homewood

would build a 36-inch main and 12,500 feet of piping. He gave an estimate of between \$7.5 and \$8 million. Marino said Homewood has reserves in its water fund to cover this expense.

Homewood would need to apply for permits from the Illinois Department of Transportation and the Illinois Environmental Protection Agency. Homewood would also ask Chicago Heights for a permanent generator for back-up power. The water pressure is sufficient, but Schaefer said in the design phase Homewood would be able to determine if a booster station would be necessary. Homewood would use Harvey as a back-up supplier. Schaefer said he would suggest starting the construction process in September.

Schaefer said the Olympia Fields/Oak Lawn water hook-up would require a main and 28,000 feet of pipe. He estimated the cost at \$27million. He said Oak Lawn is planning a new supply line for the southern part of its system that includes Olympia Fields and Country Club Hills. If Homewood joined the system, it would likely link at I-57 and Cicero Avenue, but it would require Homewood to bring the water line under railroad tracks needing permits from CN and Metra, as well as IDOT and IEPA. He also said the water purchase price is higher than what Chicago Heights is offering.

Marino said the most viable option for Homewood is linking to the Chicago Heights system. Homewood would get the best rates and negotiating a contract would mean negotiating with Hammond and Chicago Heights.

Trustees thanked staff for their outstanding work on this proposal. Information was presented in a format that was easily understood, and they believed that the Baxter & Woodman studies laid out the problems with Harvey and Homewood's options.

Trustee Dawkins said trying to link with the Olympia Fields system has too many logistical issues, and the cost is higher. To make certain Homewood residents have clean drinking water, she favored the Chicago Heights/Hammond option.

Trustee Washington asked how Homewood would be checking that it would not have problems with the system. She raised concerns because of past problems in other communities when a water system was switched. Schaefer said the engineering reviews would be able to determine any problems. He toured the Hammond water plant and it is a well-run operation and he believed the water quality would be equal to what Homewood has with Harvey.

Trustee Roman said for her the key is stability. The three-year plan/build timeline would get us to the end of the Harvey contract.

Trustee Heiferman asked if Homewood will do a study of the Hammond water system, as it did for the Chicago Heights system. Schaefer assured him that would be part of the overall engineering study.

Trustee Burnson asked for an explanation of frazil ice. Schaefer said this happens in winter at the Lake Michigan intake when we have extremely cold temperatures and winter conditions on the lake. Hammond has installed heaters to reduce the ice build-up. Burnson also asked what would happen if there was a problem with the water delivery pipe in the Little Calumet River. Schaefer said he would propose Chicago Heights build a second pipe as a back-up.

President Hofeld said Hammond Mayor McDermott expressed his interest in selling water to Illinois communities. The cost of selling water in Indiana is set by the state, but there are no such restrictions to sell water to Illinois. Hammond can keep rates low to Illinois customers and still make a profit.

President Hofeld said a Homewood delegation met with Chicago Mayor Lori Lightfoot about the Harvey water situation and she asked how Chicago could accommodate Homewood. However, Chicago cannot guarantee it will not impose new water rate hikes, so it can not compete with what Hammond is offering.

A motion was made by Trustee Dawkins and seconded by Trustee Purcell to allow Manager Marino to begin negotiations with Chicago Heights for a contract for Lake Michigan water.

***Roll Call: AYES—Trustees Dawkins, Purcell, Washington, Roman, Heiferman and Burnson. NAYS –None. Motion carried.***

A motion was made by Trustee Burnson and seconded by Trustee Roman that the board move into Executive Session for the purpose of discussing the semi-annual review of closed session minutes.

***Roll Call: AYES—Trustees Dawkins, Purcell, Washington, Roman, Heiferman and Burnson. NAYS –None. Motion carried.***

The board moved to Executive Session at 7:40 p.m.  
The board returned from Executive Session at 7:50 p.m.

Trustee Washington moved and Trustee Purcell seconded a motion to adjourn the regular meeting of the Board of Trustees. The meeting was adjourned at 7:50 p.m. on voice vote.

Respectfully submitted,

Marilyn Thomas  
Village Clerk