

**VILLAGE OF LINCOLNWOOD
PRESIDENT AND BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE MEETING
VILLAGE HALL COUNCIL CHAMBERS
MAY 1, 2018**

Call to Order

President Bass called the Committee of the Whole meeting of the Lincolnwood Board of Trustees to order at 6:01 P.M., Tuesday, May 1, 2018, in the Council Chambers of the Municipal Complex, 6900 North Lincoln Avenue, Village of Lincolnwood, County of Cook and State of Illinois.

Roll Call

On roll call by Deputy Village Clerk Engelmann the following were:

PRESENT: President Bass, Trustees Sugarman, Spino, Hlepas Nickell, Ikezoe-Halevi

ABSENT: Patel and Cope

A quorum was present.

Also present: Timothy Wiberg, Village Manager; Ashley Engelmann, Assistant Village Manager; Andrew Letson, Public Works Director; Chuck Meyer, Assistant to the Village Manager; Heather McFarland, Management Analyst; Doug Hammel, Development Manager; Steve McNellis, Community Development Director; Nadim Badran, Assistant to the Public Works Director; and Jim Amelio, Village Engineer

A Closed Session is Requested to Discuss Purchase or Lease of Property Per Section 2(c)(5), Probable Litigation Per Section 2(c)(11) Pending Litigation Per Section 2(c)(11)

Trustee Hlepas Nickell moved to closed session, seconded by Trustee Ikezoe-Halevi.

Approval of Minutes

Minutes of the April 3, 2018 (removed from table) Committee of the Whole were distributed in advance of the meeting and were examined.

Minutes of the April 17, 2018 Committee of the Whole were distributed in advance of the meeting and were examined.

Trustee Patel moved to approve the April 3, 2018 and April 17, 2018 minutes, Trustee Spino seconded the motion. The motion passed with a Voice Vote.

1. Discussion Concerning a Recommended Contract with the City of Evanston for the Purchase of Potable Water

Mr. Wiberg introduced Wally Bobkiewicz the Evanston City Manager and Dave Stoneback the Evanston Public Works Director both of whom were in the audience.

Mr. Letson began a presentation via PowerPoint.

The Village currently purchases potable water from the City of Chicago. Since 2008, Chicago has increased wholesale water rates by \$2.61 per 1,000 gallons

- \$1.33 to \$3.94 (as of July 1, 2018) – nearly 200%

In response, the Village has been evaluating the possibility of purchasing water from an alternative supplier.

The Village has examined potential alternative water supplier options with Evanston, Skokie, and/or Wilmette. After extensive review, staff concluded that purchasing water directly from Evanston is the most cost effective. On August 15, 2017 the Village Board directed staff to negotiate a contract and begin conducting a route study.

Mr. Letson explained Evanston’s rate model. The rate is based on the American Water Works Association (AWWA) M1 Manual which is the industry standard. The rate is calculated based on their operating costs and the value of their infrastructure impacted by the Village’s water use rate is broken into three categories:

- Operations and Maintenance
- Depreciation
- Return on Rate

Mr. Letson presented a map of the water mains serving Lincolnwood within the City of Evanston.

Mr. Letson broke down how the water rate is calculated. The total rate is \$1.44.

Mr. Letson provided a comparison the Evanston and Chicago rates.

Year	Evanston Rate	Chicago Rate	Difference
2019	\$1.44	\$3.94	\$2.50
2020	\$1.60	\$4.02	\$2.42
2021	\$1.63	\$4.10	\$2.47
2022	\$1.82	\$4.18	\$2.36

- In 2020 and 2022, Evanston anticipates completing two major capital improvements (replacement of a clear well and an intake pipe) at a value of \$45 million
- Future Chicago rates are unknown, but are tied to increases in the CPI, 2% increases are assumed

Mr. Letson explained future rate adjustments.

- Values for each component of the rate are examined annually as part of a true-up process based on Evanston’s Comprehensive Annual Financial Report and each community’s actual usage

- Rate increases are based on actual increases in operational costs or the value of physical assets
 - Evanston anticipates approximately 2% increases each year
- Rate Smoothing
 - Increases are capped at 4% per year
 - Increases greater than 4% will be spread out over future years

Mr. Letson explained the estimated savings to the Village.

Estimated Annual Savings				
	2020	2021	2022	2023
Water Supply Savings	\$1,281,964	\$1,308,663	\$1,251,415	\$1,276,443
Annual Debt Service for Transmission Main	\$710,000	\$710,000	\$710,000	\$710,000
Remaining Savings	\$571,964	\$598,663	\$541,415	\$566,443

- 2020 is anticipated to be the first full year of service from Evanston
- Estimated savings are based on the Village’s 2017 water usage and assumes 2% increases in Chicago’s wholesale water rate
- Debt service for the Village’s transmission main, which will transport the water from Evanston, will vary depending on the actual cost of construction – the high end of the range is demonstrated

The additional contract terms are as follows:

- All contract terms are the same as what was presented on August 15, 2017 or are included in Evanston’s form agreement
- Contract Length
 - Initial Term: 39 years
 - Automatic renewals every 10 years
 - LWD must provide 5 years notice if intending cancel the contract
- Evanston will construct a transmission main from their south water tower to the delivery point
 - Evanston will be responsible to maintain this transmission main
- Evanston will provide water at 40-50 PSI
 - LWD will continue to control pressure in the distribution system

- Evanston and LWD will provide each other with real time flow, pressure, and reservoir data
- LWD will be able to exit the agreement if the cost of the transmission main makes the project infeasible

Mr. Letson explained the existing Chicago contract terms.

- Existing contract expires on 12/31/2018
- Current connection is at Crawford/Devon Aves
- Staff recommends maintaining an emergency interconnection – if Chicago agrees

Mr. Letson stated staff is seeking direction regarding the proposed water supply agreement. If the Village Board desires, the agreement will be placed on a future Village Board meeting agenda for consideration.

Trustee Cope questioned the current status of the route study and the alternative length of the transmission main as well as the Metropolitan Water Reclamation District (MWRD) easement fee as well as the Skokie permit fees.

Mr. Letson discussed the fact that the original route that was contemplated has a lot of existing utilities. Alternative routes are longer and would have an additional cost. The numbers included in the memo do provide estimates for the unknowns. Mr. Letson explained the savings that were included in the memo.

Mr. Amelio indicated that the MWRD annual cost would be 6% of the fair market value of the land area. \$25,000 per year is estimated. Mr. Amelio stated that the cost for the additional length is estimated at between \$10-10.5 million and we should have the final cost within the next two-three months. Once Phase I is completed the next step would be going into Phase II.

Mr. Letson stated that the Evanston agreement provides the Village with a provision to get out of the agreement if the route study determines that the project is cost prohibitive.

Trustee Cope asked if we should wait to enter into an agreement until we know all of the costs.

Trustee Hlepas Nickell asked if we have the contingencies in place then it could lock in the price then we may be well served to do it.

Trustee Hlepas Nickell stated that she had a few additional questions. She noted that some other communities got better rates and she asked if we could have if we would have done this when we had Crawford Avenue open during reconstruction.

Mr. Wiberg explained that the main reason that Morton Grove and Niles rate is so much lower is because their connection point is further north and they are only paying for one main distribution point which serves no other parts of the Evanston distribution system. For our connection point there are four mains that were highlighted on the map that need to be used for our connection to the distribution system. We were not ready at the time Crawford Avenue was being reconstructed.

Trustee Hlepas Nickell asked if MWRD is the only one we need an easement from and Skokie a permit fee.

Mr. Amelio stated yes.

Trustee Cope noted that there is a substantial cost savings that will occur, even if we don't know some of the unknown charges and/or the distance there will be a significant cost savings. The agreement does not detail how the savings will be applied. He asked how the contracts are bid.

Mr. Letson stated that based on the conservative number we don't believe it would ever be a situation where we would not have a savings with Evanston.

Mr. Letson stated that once the bids come in we can withdraw from the Evanston agreement if we need to if it is cost prohibitive.

Mayor Bass asked what percent difference would it be between the bids and the estimate.

Mr. Amelio stated that the original estimate of \$7.8 million was developed around 10 years ago. Christopher B. Burke Engineering did a detailed cost estimate which includes the cost of the MWRD easement, contaminated waste, permit fees and utility conflicts. The alternative routes will less likely have special waste but they are still along MWRD and in Skokie. Mr. Amelio noted that they have reached out to contractors to review their cost estimates.

Mr. Amelio stated that the \$10 million range is very conservative.

Mr. Cope asked how we are currently paying for engineering costs associated with the project.

Mr. Wiberg stated that we are using the Water Fund.

Mr. Amelio stated that the cost of the feasibility study is \$100,000.

Trustee Sugarman stated that the estimated savings shown is if we charged the current rate to residents. He noted that we still have to determine what we will do with those savings.

Mr. Letson stated that is correct.

Trustee Sugarman stated that at some point the debt service will be retired.

Mr. Wiberg stated yes after 20 years.

Mayor Bass asked if there was consensus from the Board.

Mr. Wiberg stated that we could come back at the first meeting in June.

Trustee Cope asked if the numbers presented have been reviewed with Evanston. Mr. Letson stated yes.

2. Status Report by the Plan Commission

Mr. Hammel presented a brief presentation via Power Point.

Background

- Last Plan Commission Biennial Report given in October 2016
- 2016-2018 Report provides information related to:
 - Actions undertaken by each commission
 - Nature of the cases or requests heard
 - Goals for the next 2 years
 - Questions or comments for the Village Board
- Draft Report was discussed by the Plan Commission at its April 4, 2018 meeting

Key Statistics

- Between October 2016 and March 2018:
 - 16 Public Hearings
 - 5 Text Amendments
 - 4 requests with Special Uses and Variations
 - 3 Plats of Subdivision/Consolidation
 - 2 Map/Text Amendments
 - 2 Plats with special Use and/or Variation Approvals
 - 1 Special Use request
 - 1 Reasonable Accommodation

Plan Commission Goals: 2018-2020

- Conduct a comprehensive review and undertake necessary amendments to the Sign Ordinance;
- Amend the Zoning Ordinance to improve the general clarity and presentation of various Code requirements;
- Review and comment on the North Gateway Sub-Area Plan; and
- Review and recommend concept plans and requested zoning approvals for the Lincoln-Touhy Triangle site

Comments/Questions to the Village Board

- Is the Plan Commission spending an appropriate amount of time on cases?
- Recommends review of certain code requirements that add cost to property improvements
 - Specifically mentioned Fire Sprinkler Ordinance
- Recommends reviewing standards of the O Office District and impacts on residential districts, especially on the west side of Cicero Avenue

Requested Action

- Discussion of 2018-2020 Plan Commission goals and questions/comments to the Village Board
- Approval of the 2016-2018 Plan Commission Biennial Report

Trustee Patel asked what other items are proposed to be looked at for sprinklers?

Chair Yohanna stated that due to the expense involved which can be very large, one member raised this and one Commissioner wanted to revisit the issue.

Trustee Cope asked if for new homes or remodels.

Chair Yohanna noted that his understanding is for remodels.

Mr. Hammel stated that it is required for new construction and he explained the current language.

Trustee Patel stated that we have refined the language previously to work with property owners.

Trustee Hlepas Nickell stated that a CORB meeting has not occurred since she was elected.

Trustee Patel stated that CORB meetings only occur if something is sent to it.

Trustee Hlepas Nickell asked if there is anything the Board can do to help the Plan Commission.

Chair Yohanna said he thinks staff and the Board do a good job.

Mr. Hammel noted that in general staff is examining the code to look for potential barriers.

Public Comment

None

Adjournment

At 7:30 P.M. Trustee Cope moved to adjourn Committee of the Whole, seconded by Trustee Spino.
The motion passed with a Voice Vote.

Respectfully Submitted,



Ashley Engelmann
Deputy Village Clerk