

# Minutes

## July 13, 2010 – Board Meeting

On July 13, 2010, the Board of Trustees of the Lake County Public Water District met in a regularly scheduled meeting at the hour of 5:30 p.m. in the conference room of the District, 500 – 17th Street, Zion, Illinois. Chairman Topcik opened the meeting at approximately 5:50 p.m. Upon the roll being called, Trustees Jaeger, Ruchti, Monk, and Topcik were present. Trustees Moe and Hill were absent. Also present were General Manager Albrecht, Operations Manager White, District Attorney Dan Kucera, and District Secretary Karen Johnston. Trustee Mitchell arrived at 6:00 p.m.

Chairman Topcik requested that items 3, 5, 6, 7 (June Minutes, Treasurers Report, Budget and MOS Report) be placed on a consent agenda and that the July Disbursements should be reviewed separately. Trustee Ruchti made a motion to place those items on the consent agenda and also made a motion to approve the consent agenda; both items were seconded by Trustee Monk and unanimously carried.

General Manager Albrecht stated that the list of disbursements ties into item A, the General Manager's discussion of Maxim Construction. The disbursements includes a payout request from Maxim Construction, as well as a deduction in the amount of \$33,000 due them representing the liquidated damages the District, by contract, is allowed to assess against Maxim Construction for failing to achieve substantial completion by the contracted date of May 28, 2010. General Manager Albrecht stated that based on conversations with both Chairman Topcik and Attorney Kucera, he had written a letter to Maxim indicating that the District would be assessing Maxim \$1,000 per day liquidated damages as per their contract with the District. General Manager Albrecht provided the trustees with a significant amount of information regarding this subject. General Manager Albrecht also indicated that Maxim has been a good contractor, and the District has maintained a good working relationship with them. Chairman Topcik indicated that to protect the rights of the District, the liquidated damages should be withheld at this time pending the completion of the project. A full discussion of this issue followed. Trustee Ruchti made a motion to accept the disbursements as shown on the disbursement list, which was seconded by Trustee Jaeger and unanimously approved.

### OPERATIONS & MAINTENANCE ACCOUNT July, 2010 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Jun-10	2,827.53
2921	Federal Withholding Taxes	Jun-10	5,912.44
2922	IL Department of Revenue	Monthly Remittance	903.86
2923	WI Department of Revenue	Monthly Remittance	479.04
7205	FICA Withholding Taxes (ER Portion)	Jun-10	2,296.79
7211	Commonwealth Edison	Electricity	16.44
7211	Integrays	Electricity	4,063.75
7211	Kensa	Annual Administration Fee	300.00
7222	Ace Hardware	Misc. supplies	29.98
7222	Crescent Electric	Misc. supplies	413.28

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7222	Grainger	Misc. supplies	567.52
7222	Olson Oil	Fuel for generator	535.49
7223	B&B Networks	Repair Telephones	586.00
7223	HD Waterworks	Meter, flange, backflow preventer	668.00
7223	Sensus Metering	Equipment Repair	214.67
7223	SKF Reliability Systems	Monthly Vibration Test	565.00
7225	K. Erickson Designs	June Maintenance	230.00
7225	Klean Korner	Janitorial Services	565.00
7231	Gordon Flesch Co.	Copier Lease	274.00
7232	Cimco Communications	Telephone service	1,447.02
7232	Verizon Wireless	Cellular Phone Service	243.16
7234	UPS	Shipping Charges	17.56
7235.2	AARP Medical	Medical Insurance for P & D Fragassi	401.84
7235.2	AARP Prescription	Prescription coverage for P&D Fragassi	74.20
7235.2	Humana Choice Care	Monthly Med/Dent Premium	5,190.71
7235.2	Secketa, Nick	Deductible Reimbursement	1,047.47
7237	Secketa, Nick	Reimbursement for seminar	49.85
7237	White, Don	Reimbursement for seminar	59.51
7239	Bulls-Eye Boring, Inc.	Move Concrete Blocks	150.00
7241	Milburn Cain & Co.	Annual Audit	18,000.00
7241	James Hamlin & Co.	June Payroll Service Fees	164.98
7242	Daniel J. Kucera	General Legal Services	2,143.85
	<b>First Bankcard</b>		
	Acct. #7222	Supplies	16.04
	Acct. #7236	Transportation	271.27
	Acct. #7237	Meetings	2,085.80
	Acct. #7234	Office Supplies	544.98
	<b>TOTAL</b>		<b>\$53,357.03</b>

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## CONSTRUCTION FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7266	CDM	Plant upgrade to 6.5 mgd	15,945.46
7266	Maxim	Plant upgrade to 6.5 mgd - Payout #15	274,592.70
7266	Maxim - Liquidated Damages	Liquidated Damages	(33,000.00)
7268	Baxter & Woodman	SCADA System Improvements	1,161.50
7268	Krause Electric	SCADA System Improvements	52,533.00
7269	Clark Dietz	Chlorine Gas Scrubber Project	4,319.99
	Total		\$315,552.65

## R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7270	Lapish, Jere	Intake Pipe Project	1,225.00
	Total		\$1,225.00

## Reports:

➔ **Long Range Planning Committee Report** – Chairman Topcik stated that Trustee Jaeger would present his report. Trustee Jaeger stated that the committee had developed the report based on the 2008 report. The committee determined that the District would need to perform a significant number of major maintenance projects on the plant facilities during the next few years. The following is a list of suggested maintenance items:

- ➊ Clarifier #2 – It is in poor condition. When the new clarifier is completed, the District should shut down the #2 unit and make any necessary repairs. Trustee Jaeger felt that the cost of these repairs could be several hundred thousands of dollars.
- ➋ Roof – This needs to be looked at, however this can wait until other projects have been completed.
- ➌ 1,000,000 Gallon Storage Tank – There is a leak. However, this cannot be addressed until fall.
- ➍ Kellogg Creek Project – This project is underway. There is a possibility of more emergency repairs. Further discussion of this project will follow with the General Manager's report.

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- *Intake Line – There is currently work ready to be performed for this project. Trustee Jaeger mentioned that there is a broken line outside of this pipe. Operations Manager White stated that he was aware of this issue.*
- *Pump Station 27<sup>th</sup> and Lydia – There are repairs needed at this location that must be more completely quantified by the staff.*
- *3 mg Storage Tank – There is paint peeling off this tank.*
- *Chlorination Project – This project is in process. However, the District needs to make decisions regarding the necessity of the concrete blocks and whether the function outweighs the aesthetic value of removing them permanently.*
- *Redundancy Considerations*
  - *Purification – The District should look at these projects in the future.*
  - *Back up process – There is no back up process.*
  - *Raw water intake – No duplication if something breaks.*

In addition to the proposed maintenance projects, Trustee Jaeger indicated that some discussion had taken place regarding management succession. He stated that the committee had discussed the possible retirement of General Manager Albrecht and the areas of responsibility that the position would entail as well as the qualities needed for this position.

## **OLD BUSINESS:**

- ***Plant Upgrade to 6.5 mgd Project*** – General Manager Albrecht indicated, as discussed previously, that Maxim had not reached substantial completion by the contract date of May 28, 2010. They had however, kept working up until June 30, 2010, and subject to CDM's inspection and approval, had reached substantial completion by that date. General Manager Albrecht also addressed delays due to a strike by the Operating Engineers and Laborers' Unions. The completion date was discussed as well as possible extensions. A discussion of the status of the new clarifier followed. General Manager Albrecht indicated that there were still items to be addressed, such as the parking lot and landscaping.
- ***Kellogg Creek:*** - General Manager Albrecht stated that the District currently has all of the needed permits to perform the stream work. The District is now in a position to perform the work. A discussion of the work followed. Trustee Moe made a motion to proceed with the bidding process of this project as designed, which was seconded by Trustee Monk and unanimously carried.
- ***Chlorine Scrubber*** – General Manager Albrecht stated that due to the strike, Bulls Eye Contracting has not been working on the Chlorine Scrubber at this time. However, he indicated that the shop drawings for this system have been approved, and they are waiting for the scrubber unit to be designed, built, and shipped. The board briefly discussed this project.

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- **North West Lake Michigan Planning Group:** - General Manager Albrecht stated that the District had had a meeting with this group in late April, and was still interested in working with them. He had thought the group would present the District with a memorandum of understanding (MOU), but there has been some difficulty in settling on agreeable language. District Attorney Dan Kucera discussed the MOU, the language, and his discussions with Barbara Adams, the attorney for the group. The board discussed the conversations Mr. Kucera had with Ms. Adams. The board also discussed the possibility of further negotiations with this group and requested that General Manager Albrecht set up another meeting with this group. The board then discussed possible meeting dates, and July 19<sup>th</sup> was proposed as the best date for the meeting.
- **Intake Pipeline Project:** General Manager Albrecht stated that this project was moving along slowly, as the District was dealing with a new contractor. It has taken some time to resolve the issues of performance and payment bonds, as well as insurance. He stated that a deal was being worked out to employ, as needed another knowledgeable pipeline person, Mr. Dennis White. Jere Lapish will still be involved; however, he is close to full-time retirement. General Manager Albrecht also indicated that a preconstruction meeting was scheduled for Wednesday of the following week.

## **NEW BUSINESS:**

Chairman Topcik discussed the new formatting of the financial reports to make it easier for the board to follow. He indicated that the reports were a little more informative than before. He felt that some progress was being made.

With no further business to discuss, Trustee Mitchell made a motion to recess the meeting until Monday, July 19th, 2010, which was seconded by Trustee Ruchti and unanimously approved.

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Donald J. White  
Secretary