

# Minutes

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## *November 9, 2010 – Board Meeting*

On November 9, 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, Monk, Moe, and Topcik were present. Trustees Hill, Ruchti, and Mitchell were absent. Also present were General Manager Albrecht, Operations Manager White, District Secretary Karen Johnston, and guest speaker Mr. Brad West, West's Insurance Agency.

Chairman Topcik indicated that Mr. West would speak first regarding workers' compensation insurance. Mr. West provided the board with a written proposal and proceeded with his oral presentation of that proposal. He indicated that the workers' compensation insurance would be expiring December 15, 2010. The District is currently insured with the Illinois Public Risk Fund (IPRF). Mr. West explained the premium computation, which is based on annual estimated payroll figures provided by General Manager Albrecht. The renewal premium is \$16,230. Last year the IPRF issued a grant to the District for \$900 and will have \$1,100 new in grant money available in May 2011. Mr. West stated that he hoped the renewal met with the board's approval and that they would authorize him to renew the policy. After discussion of the subject, Chairman Topcik asked for a motion to approve the renewal of the workers' compensation, which was made by Trustee Jaeger, seconded by Trustee Monk, and carried unanimously.

Chairman Topcik asked for a motion to place items 3, 4, 5, 6, and 7 on a consent agenda. Trustee Jaeger indicated that he had questions regarding the November Disbursements and requested that the disbursements not be placed on a consent agenda. As there were other questions regarding these reports, Chairman Topcik indicated that each item would be discussed individually.

- ◆ Minutes – Trustee Moe indicated that minutes should reflect that Trustee Monk, not Trustee Mitchell was appointed to the ad hoc committee to review the employee policy handbook. Chairman Topcik stated that the minutes should reflect that he appointed, rather than suggested, Trustees Moe and Monk for that committee. Trustee Jaeger made a motion to accept the minutes with those changes, which was seconded by Trustee Monk and unanimously approved.
- ◆ Disbursements- Trustee Jaeger requested clarification of the charges for the R&R and Construction Funds. General Manager Albrecht explained in detail the purpose of each charge. A discussion of the disbursements followed. Trustee Jaeger made a motion to accept the disbursements, which was seconded by Trustee Monk and unanimously approved.
- ◆ Treasurers' Report – General Manager Albrecht indicated that the last CDAR's certificate of deposit with NorStates Bank will mature November 18, 2010. He stated that he would like to take \$250,000 of that maturing certificate of deposit and place it with one of the Libertyville Bank and Trust branches with their MaxSafe® Program (which is FDIC insured). The remainder of the CDAR's would then be placed into the R&R Savings account at Chase Bank. Trustee

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Jaeger made a motion to approve the Treasurer's Report, which was seconded by Trustee Monk, and unanimously approved.

- ◆ Budget Report – Trustee Moe made a motion to approve the Budget Report, which was seconded by Trustee Jaeger, and unanimously approved.
- ◆ MOS Report - Trustee Jaeger commented that finished water is down. A discussion followed regarding this subject. Trustee Jaeger made a motion to accept the MOS report, which was seconded by Trustee Moe and unanimously approved.

## OPERATIONS & MAINTENANCE ACCOUNT November 2010 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Oct-10	4,017.41
2921	Federal Withholding Taxes	Oct-10	7,973.56
2922	IL Department of Revenue	Monthly Remittance	1,289.15
2923	WI Department of Revenue	Monthly Remittance	587.12
7205	FICA Withholding Taxes (ER Portion)	Oct-10	4,017.36
7211	Commonwealth Edison	Electricity	16.16
7211	Integrus	Electricity	15,461.35
7215	McHenry Analytical	Sample Testing	99.00
7221	Hydrite	Chlorine Shipment	811.00
7222	Ace Hardware	Misc. supplies	47.79
7222	Grainger	Misc. supplies	115.45
7222	Zion Auto Parts	Misc. supplies	136.16
7223	LAI, Ltd.	Misc. parts for maintenance	688.78
7223	Maxim Construction	Reservoir welding repair	1,969.60
7223	Omega Engineering, Inc.	Misc. repair parts	220.31
7223	Parker Hannifin Corp.	Misc. parts for maintenance	336.19
7223	Smith Ecological Systems	Connectors and valves	1,352.56
7223	Sonlight Glass Co.	Replacement glass	2,614.00



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## CONSTRUCTION FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7266	CDM	Plant upgrade to 6.5 mgd	9,375.52
7268	Baxter & Woodman	SCADA System - Final Invoice	2,628.00
7269	Clark Dietz	Chlorine Gas Scrubber Project	1,368.74
	Total		<u>\$13,372.26</u>

## R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7274	Dixon Engineering, Inc.	No. Solids Contact Unit Repairs	600.00
	Total		<u>\$600.00</u>

## **ORDINANCES/RESOLUTIONS:**

- ◆ **Resolution to amend the Retirement Plan Ordinance.** - Chairman Topcik explained that Correll Company sent a document to the District making some minor income tax changes to the District's current Retirement Plan Ordinance. Chairman Topcik asked for a motion approving the revised resolution, which was made by Trustee Moe and seconded by Trustee Jaeger. A roll call vote was taken with Trustees Monk, Moe, Jaeger, and Chairman Topcik all voting aye and no nays. Trustees Mitchell, Hill, and Ruchti were absent. The motion was approved. The resolution is as follows:

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## Resolution

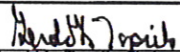
WHEREAS, Lake County Public Water District (the "Company") maintains the Lake County Public Water District Profit Sharing Retirement Plan (the "Plan");

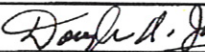
WHEREAS, the Company desires to amend said Plan to comply with the final regulations issued under Section 415 of the Internal Revenue Code;

WHEREAS, the Company deems the amendment, as contained in the attached documents, to be suitable for purposes aforesaid;

NOW, THEREFORE, on this 6th day of February, 2009, the undersigned hereby adopt for the Company the Amendment of the Plan for Final Regulations issued under Section 415 of the Code, as contained in the attached documents, said Amendment to be effective as provided therein.

### Signatures

  
Gerold L. Topcik, Chairman


  
Douglas A. Jaeger - Trustee

Absent  
Dorothy J. Mitchell, Trustee

  
Amos J. Moe - Trustee

Absent  
Albert W. Hill, Trustee

Absent  
Michael B. Ruchti, Trustee

  
Richard J. Moe, Trustee

### OLD BUSINESS:

- **Plant Upgrade to 6.5 mgd Project** – General Manager Albrecht stated that there would be additional liquidated damages withheld for the period from the October board meeting (October 12, 2010) until the November board meeting (November 9, 2010). He also stated that as they were not done as of the date of the November board meeting, there would be additional liquidated damages besides what has already been assessed. The remaining major issues are rusting on the new unit. The contractor and consulting engineer are looking at passification of this problem. A discussion of the rusting problem and chlorine usage followed. General Manager Albrecht indicated that he did not know when they would be finished with this project.
- **Kellogg Creek:** – General Manager Albrecht indicated that this project was finally moving ahead. He stated that there had been a great deal of discussion regarding regulations. He indicated that if the property measures over an acre the regulations are more stringent. It has been determined that the District land included in this project is under an acre, therefore, the design documents could be completed and proceed with the bidding after the first of the year. General Manager Albrecht stated that he had an updated proposal from Huff & Huff. He asked that the board authorize him to proceed. Trustee Jaeger made a motion to go ahead with the bidding process, which was seconded by Trustee Moe and unanimously approved.
- **Chlorine Scrubber** – General Manager Albrecht stated that the contractor on this project, Bullseye Contractors, had not performed as timely as he had hoped. He indicated that they would not be done with this project as scheduled, and if they miss the substantial

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completion date, liquidated damages would be assessed, per contract at \$500 per day. He also stated that startup training for this equipment is now scheduled for be on November 17, 2010.

- **North West Lake Michigan Planning Group:** – General Manager Albrecht stated that the water allocations still had not been awarded. A meeting was tentatively scheduled for a week from Thursday; however, it would probably be cancelled if the allocations had not been made by that date. A discussion of the group followed.
- **Intake Pipe Project Update** – General Manager Albrecht included a cross-section drawing of the diameter (both inside and outside) of the pipe. The drawing showed where the rock had been placed. General Manager Albrecht expressed his concern regarding the movement of the sand towards the intake pipe. He stated that he foresees placing a great deal more rock along the pipeline in the future. Considering the cost of placing the rock and the impact of the Marina on the pipe, he stated that the District might want to pursue sharing these costs with the State of Illinois. Chairman Topcik directed General Manager Albrecht to ask District Attorney Kucera to review this matter and write a letter is appropriate. A discussion of this subject followed.
- **Changes in Employee Policy Handbook**– Chairman Topcik asked for the report of this committee, which consisted of Trustees Moe and Monk. Trustee Moe indicated that he and Trustee Monk had reviewed the employee policy handbook. He stated that they had several recommendations. First, the committee recommended that the number of paid holidays be increased from six to eight; however, Trustee Monk felt that nine would be even more equitable. The committee's opinion was that the District was behind other water facilities in the area, and the cost would be less than ½ a percent. A discussion of the dates for the additional holidays followed. Trustee Jaeger made a motion to increase the paid employee holidays from six to eight, which was seconded by Trustee Moe and unanimously approved. The committee had the following suggestions:
  1. In the beginning of the handbook, the District should be defined and stated that from that point on it would be referred to as "the District".
  2. A grievance policy and whistle-blowing policy should be included in the handbook.
  3. Health examinations and drug testing policies should be more clearly defined.

After discussing the handbook, Chairman Topcik appointed Trustees Monk and Moe to write the grievance and whistle-blowing policies, and present them at the January 2011 board meeting. In addition, they will rework other needed wording and present that in January as well.

## **New Business:**

- **Solids Contact Unit (North Unit) #2** – General Manager Albrecht stated that Dixon Engineering inspected this unit and was compiling specifications for this project. He

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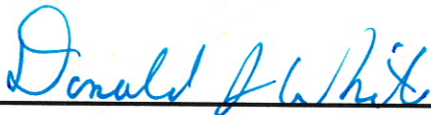
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indicated that the District should go out for bids on this project in January with bids to be presented at the February 2011 board meeting. He also stated that an option to replace the steel dome with a fiberglass dome would be included in the bidding process. A discussion of the project followed. General Manager Albrecht also stated that the District would be receiving a proposal for engineering services for this project.

- **Redundant for Raw Water Line Creek Crossing** – General Manager Albrecht proposed hiring a firm to look into this project. He and Operations Manager White had discussed several firms and suggested Applied Technologies, Inc. (“ATI”). A discussion of this project followed. General Manager Albrecht stated that he hoped to have a proposal for review at the December board meeting.
- **Identity Protection Act** - General Manager Albrecht stated that the State of Illinois had mandated this new law (a copy of which was attached). The law is mostly concerning social security numbers and discusses what must be kept private. He stated that the District should adopt a policy to protect the identity of employees. General Manager Albrecht recommended having the District’s attorney, Mr. Dan Kucera draft this policy.
- **Onsite Ground Storage** – Operations Manager White stated that there was a minor leak in the tank. He had the tank inspected and bad welds were found. Maxim Construction repaired the welds. A report with be forthcoming.

With no further business to discuss, Trustee Jaeger made a motion to adjourn, which was seconded by Trustee Monk and unanimously approved.

X 

Donald J. White  
Board Secretary