

Minutes

January 11, 2011- Board Meeting

On January 11, 2011, 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 5:40 p.m. Upon the roll being called, Trustees Mitchell, Ruchti, Moe, Monk and Topcik were present. Trustees Jaeger and Hill were absent. Also present were General Manager Albrecht, Operations Manager White, District Attorney Dan Kucera, and District Secretary Karen Johnston.

Chairman Topcik requested a motion to place items three through seven on the Consent Agenda. Trustee Moe requested that the minutes be pulled from the consent agenda and discussed. Chairman Topcik then requested that items four through seven be placed on the Consent Agenda and item three, the minutes, be pulled for discussion. Trustee Ruchti made a motion to place items four through seven on the consent agenda, which was seconded by Trustee Moe and unanimously approved. Following this action on a motion by Trustee Ruchti, seconded by Trustee Moe, and unanimously carried the consent agenda was approved and the above items four (4), five (5), six (6), and seven (7) were placed on file. The Board proceeded to discuss the minutes. Trustee Moe asked about the nature of the repairs made by Campanella and detailed in the minutes from December, 2010. Operations Manager White explained the repairs, and a discussion of metering followed. Trustee Moe made a motion to accept the minutes, which was seconded by Trustee Ruchti and unanimously approved.

OPERATIONS & MAINTENANCE ACCOUNT JANUARY 2011 – DISBURSEMENTS

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Dec-10	1,799.78
2921	Federal Withholding Taxes	Dec-10	5,584.54
2922	IL Department of Revenue	Monthly Remittance	918.31
2923	WI Department of Revenue	Monthly Remittance	411.51
7205	FICA Withholding Taxes (ER Portion)	Dec-10	1,799.70
7211	Commonwealth Edison	Electricity	16.33
7211	Integritys	Electricity	16,926.03
7215	McHenry Analytical	Sample Testing	71.50
7221	Hydrite	Chlorine Shipment	922.00
7221	Nalco	Nalclear Shipment	4,834.42
7222	Ace Hardware	Misc. supplies	131.43
7222	CCP Industries	Misc. supplies	399.80
7222	Grainger	Misc. supplies	429.89

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ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7222	Hach Company	Misc. supplies	102.37
7222	Interstate Battery	Misc. supplies	198.48
7222	JMI Instrument Co.	Misc. supplies	108.98
7222	LAI, Ltd.	Misc. supplies	168.17
7222	Swan Analytical	Analyzer for measurement of turbidity	4,869.40
7223	K. Erickson Designs	Snowplowing	585.00
7223	Lakeland Larsen Elevator	Pressure test on elevator	150.00
7223	SKF Reliability Systems	Bimonthly vibration testing	665.00
7225	Klean Korner	Monthly Janitorial Services	565.00
7231	Gordon Flesch Co.	Monthly Copier Lease	274.00
7232	Cimco Communications	Telephone service	1,306.25
7232	Verizon Wireless	Cellular Phone Service	242.27
7234	Quill	Office Supplies	327.70
7234	Reliable	Office Supplies	322.12
7234	United Parcel Service	Shipping Charges	18.73
7235.1	West's Insurance	End't. increasing property value	117.00
7235.2	AARP Medical	Medical Insurance for P & D Fragassi	414.20
7235.2	AARP Prescription	Prescription coverage for P&D Fragassi	74.20
7235.2	Humana Choice Care	Monthly Med/Dent Premium	4,811.83
7241	James Hamlin & Co.	Payroll Service Fees	237.52
7242	Daniel J. Kucera	General Legal Services	1,848.85
7251	Sun-Times Media	Advertisement	41.60
7251	Zee Medical	First Aid Supplies	41.45

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FIRST BANKCARD			
	Acct. #7222	Misc. Supplies	165.98
	Acct. #7234	Office Supplies/Postage	117.07
	Acct. #7236	Transportation	359.21
	Acct. #7237	Meetings	673.75
	Acct. #7238	Membership Renewal	200.00
	TOTAL		\$53,251.37

CONSTRUCTION FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7266	CDM	Plant Upgrade to 6.5 mgd	4,610.48
7266	CDM	Plant Upgrade to 6.5 mgd	555.77
7269	Baxter & Woodman	Chlorine Scrubber SCADA Integration	1,425.60
7269	Clark Dietz	Chlorine Scrubber SCADA Integration	5,456.92
	Total		\$12,048.77

Trustee Jaeger arrived at 5:50 p.m.

ORDINANCES/RESOLUTIONS:

Resolution to Amend Section 457 Deferred Compensation Plan and Profit Sharing Plan– Chairman Topcik explained that these amended resolutions were to comply with IRS tax law changes, and asked for a motion approving both revised resolutions. Trustee Ruchti made a motion to approve the changes to both resolutions, which was seconded by Trustee Moe. A roll call vote was taken for both resolutions with Trustees Mitchell, Monk, Ruchti, Moe, Jaeger and Topcik all voting aye, no nays and Trustee Hill was absent.

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Resolution

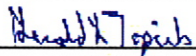
WHEREAS, Lake County Public Water District (the *Company*) maintains the Lake County Public Water District Profit Sharing Plan (the *Plan*)

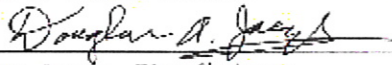
WHEREAS, the Company desires to amend said Plan to comply with the Heroes Earnings Assistance and Relief Tax Act of 2008 (*HEART*);

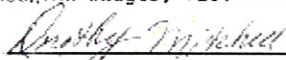
WHEREAS, the Company deems the amendment, as contained in the attached documents, to be suitable for purposes aforesaid;

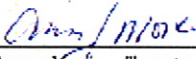
NOW, THEREFORE, on this 11th day of January, 2011, the undersigned hereby adopt for the Company the **Amendment of the Plan for HEART**, as contained in the attached documents, said Amendment to be effective as provided therein.

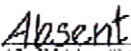
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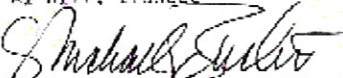

Gerold L. Topcik, Chairman

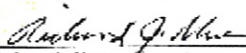

Douglas Jaeger, Vice-Chairman


Dorothy Mitchell, Trustee


Anos Matis, Trustee


Al Hill, Trustee


Michael Buchli, Trustee


Richard Mow, Trustee

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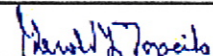
WHEREAS, Lake County Public Water District (the *Company*) maintains the Lake County Public Water District Section 457 Deferred Compensation Plan (the *Plan*);

WHEREAS, the Company desires to amend said Plan to comply with the Heroes Earnings Assistance and Relief Tax Act of 2008 (*HEART*);

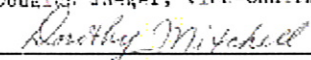
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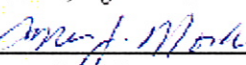
NOW, THEREFORE, on this 11th day of January, 2011, the undersigned hereby adopt for the Company the Amendment of the Plan for HEART, as contained in the attached documents, said Amendment to be effective as provided therein.

Signatures


Gerald L. Topcik, Chairman


Douglas Jaeger, Vice-Chairman


Dorothy Mitchell, Trustee


Ann Munk, Trustee

Absent
Al Hill, Trustee


Michael Ruentli, Trustee


Richard Noe, Trustee

OLD BUSINESS:

- **Plant Upgrade to 6.5 mgd Project** – General Manager Albrecht stated that the Maxim contract was still not 100% complete. He indicated that it was Maxim's responsibility to initiate a request for final completion. Maxim must write a letter to CDM requesting final completion, and if CDM agrees, CDM will then ask if the District agrees. He also indicated that liquidated damages were still accruing, and ultimately the Board will need to evaluate the liquidated damages and decide if there is any forgiveness. A discussion of the liquidated damages followed. He also stated that there was still an issue with the rusting of the stainless steel. After discussing the matter with the District's attorney, Dan Kucera, Mr. Kucera suggested hiring an expert who is knowledgeable in this area to evaluate this matter. General Manager Albrecht asked if anyone on the board had any suggestions for such an

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expert. A discussion what type of professional would be appropriate followed, with General Manager Albrecht indicating that he would look for an appropriate person.

- ***Kellogg Creek:*** – General Manager Albrecht stated that the District would go out for bids on this project near the end of February. He indicated that he hoped to have recommendations for the board by their March, 2011 board meeting.
- ***Chlorine Scrubber*** – General Manager Albrecht stated the District had received a change order on this project for \$210. Bullseye had not submitted another pay request as of the date of the board meeting.
- ***North West Lake Michigan Planning Group:*** – General Manager Albrecht stated that there was nothing new to discuss as the communities were still waiting to hear about their water allocations. The group has another meeting scheduled for February 3, 2011 and hopefully they will hear about the allocations by that date. General Manager Albrecht indicated that the group still owed the District an MOU. Discussion of the subject followed.
- ***Intake Pipe Project Update*** – General Manager Albrecht stated that Jere Lapish, the District's consultant on the project, has gone to Florida, but while he had not been heard from at this time, he will be providing a history of the work on the pipe. Operations Manager White indicated that he would get in touch with him. Discussion of this project followed.
- ***Solids Contact Unit (North Unit) #2*** – General Manager Albrecht stated that there was a pre-bid meeting scheduled for January 13, 2011 for this project, and that the bid opening was the following week, January 20, 2011. He anticipated having a recommendation for the work at the March board meeting. He indicated that an alternate bid for a fiberglass dome was part of this bidding process, and felt that this would prove to be beneficial.
- ***Raw Water Line Creek Crossing*** – General Manager Albrecht stated that Attorney Kucera had suggested a numbers of changes to ATI's contract. He reminded the board that they had already approved this contract subject to Attorney Kucera's recommendation.

NEW BUSINESS:

- ***Projections-*** General Manager Albrecht stated that Chairman Topcik had requested that he provide an estimate of the approximate rates for the coming fiscal year. General Manager Albrecht included a handout in the board packet with projections of the District's various incomes and expenses. He indicated that he had used last year's audit as a basis for the projections. He stated that he felt the expenses would be down slightly from last year. A discussion of the expenses and the circumstances affecting them followed. The board proceeded to discuss items to be depreciated, and General Manager Albrecht felt that some guidelines should be established to determine a dollar amount for the capitalization of projects. A discussion of this subject followed. General Manager Albrecht then went on to discuss the rating structure and the components involved in its computation. A discussion of this subject followed, with General Manager Albrecht stating that an

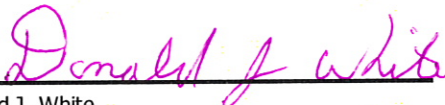
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approximate 10% increase in the rating structure would be right. The possible new rate was then discussed by the board.

- **Declassification of Executive Minutes** – Attorney Kucera suggested that the executive minutes of March 9, 2010 and May 10, 2010 be declassified. Trustee Jaeger made a motion to declassify those executive minutes, which was seconded by Trustee Mitchell and unanimously approved.
- **Fluoride** – General Manager Albrecht included an article regarding lowering the acceptable levels of fluoride in drinking water. A discussion of the subject followed.
- **Chromium Six** – General Manager Albrecht included an article regarding the presence of Chromium Six in drinking water. He stated that this is naturally occurring in water and that the District's level was compliant. A discussion of the subject followed.

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

X 
Donald J. White
Board Secretary