

Minutes

May 8, 2012 – Board Meeting

On May 8, 2012, 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 5:30 p.m. Upon the roll being called, Trustees Jaeger, Ruchti, Mitchell, and Topcik were present. Trustees Monk and Moe were absent. Also present were General Manager Albrecht, Operations Manager Don White, District Secretary Karen Johnston, and District Attorney Dan Kucera. Mr. Brad West from West’s Insurance was present as a guest speaker.

Chairman Topcik stated that the first order of business was a presentation of the insurance policy renewal recommendations effective June 1, 2012, by Mr. Brad West of West’s Insurance. General Manager Albrecht stated that a copy of Mr. West’s letter outlining the insurance renewal was in the board packet. Mr. West stated that the last of the three year rate guarantee would expire at the end of the new policy period (6/1/12 to 6/1/13). He reviewed the coverages currently carried by the District. He discussed the values carried on the policies as well as the amount of the deductibles. He stated that the blanket property limit had increased to a new limit of \$12,634,000 of above ground structures and \$5,641,000 of below ground structures, based on limits recommended in the letter from the engineering firm of Applied Technologies, Inc. Mr. West mentioned flood insurance as it had been of interest in past years. He stated that he had provided a quotation for flood insurance in 1997 with a premium of approximately \$32,000. A discussion of this subject followed with the board agreeing that it was not prudent to purchase this coverage. Mr. West went on to discuss bonding issues as previously discussed at the April board meeting. The public officials bonds would cover the board chairman, vice-chairman, treasurer and secretary in the amount of \$200,000 and all other trustees for \$10,000 each. A discussion of the coverages followed. Trustee Jaeger made a motion to accept the proposal of \$63,816, which was seconded by Trustee Mitchell and unanimously approved. Mr. West then left the meeting at 5:55. Trustee Moe arrived at 5:55.

Chairman Topcik asked to move on to the consent agenda. Trustee Moe asked to review the Treasurers’ Report and the MOS. Trustee Jaeger made a motion to place the minutes of the April 10, 2012 meeting, the May disbursements, and the April 2012 budget report on a consent agenda and approve that consent agenda, which was seconded by Trustee Moe and unanimously carried. The board went on to discuss the Treasurers’ Report, with Trustee Moe inquiring about the status of accounts receivable. He was referred to a memo in the board packet stating the status of the accounts receivable. Trustee Moe then wished to commend the operations staff for the continued good efforts to produce more finished water using less chemicals and electricity. General Manager Albrecht also felt that the staff had performed well. Trustee Moe made a motion to accept the Treasurers’ Report and the MOS report, which was seconded by Trustee Jaeger and unanimously approved.

OPERATIONS & MAINTENANCE ACCOUNT

May, 2012 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Apr-12	2,805.87
2921	Federal Withholding Taxes	Apr-12	8,428.82
2922	IL Department of Revenue	Monthly Remittance	1,762.51
2923	WI Department of Revenue	Monthly Remittance	475.58
2925	IL Unemployment	Monthly Remittance	14.72

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7205	FICA Withholding Taxes (ER Portion)	Apr-12	3,799.13
7211	ComEd	Electricity	17.93
7211	Integrus	Electricity	11,282.87
7215	McHenry Analytical	Sample Testing	1,406.50
7221	Hydrite	Chlorine shipment	866.00
7222	Ace Hardware	Misc. supplies	33.16
7222	Grainger, W.W.	Misc. supplies	281.10
7222	Lake County Pipe & Supply	Misc. supplies	529.99
7222	Steiner Electric	Misc. supplies	86.96
7223	Ernie Peterson Plumbing	Backflow preventor test	190.00
7223	SKF Reliability	Bimonthly Vibration Test	700.00
7225	K. Erickson Designs	Landscaping Maintenance	475.00
7225	Klean Korner	Janitorial Service	1,130.00
7231	GFC Leasing	Copier Lease	290.00
7232	Cimco	Telephone Service	1,390.33
7232	Verizon Wireless	Cellular Phone Service	213.88
7234	Baxter & Woodman	Office Supplies	93.50
7234	GoFlo	Web hosting & maintenance	310.00
7234	Reliable	Office Supplies	55.46
7234	UPS	Shipping Charges	1.76
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	224.25
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	34.20
7235.2	Humana Choice Care	Monthly Med/Dent Premium	5,237.17
7235.2	IL Public Risk	Quarterly Insurance Premium	4,261.00
7241	James Hamlin & Co.	Payroll Fees - 04/11-05/08	185.93
7242	Daniel J. Kucera	General Legal Services	2,587.40
7243	Applied Technologies	Professional Services	878.00
7243	Howard Surveying	Land surveying	2,250.00
7247	Lakeside Steel	4 - Pipe Collar w/pile box assembly (bents)	19,200.00
7247	Lapish, Jere	Intake Inspection work	500.00
7251	Aramark Refreshment Services	Coffee Service	273.00

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7251	Correll Co.	Investment Services	264.00
7251	Zion, City of	Elevator Inspection	50.00

FIRST BANKCARD			
	Acct. #7222	Misc. Supplies	478.62
	Acct. #7223	Maintenance/Repairs	17.60
	Acct. #7234	Offices Supplies/Postage	74.99
	Acct. #7236	Transporations	269.09
	Acct. #7237	Meetings/Seminars	-64.91
	Acct. #7238	Dues/Subscriptions	625.95
	Acct. #7251	Miscellaneous	93.00
	TOTAL		\$74,080.36

R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7275	Sun Times Media	Bid Advertisement - Img Reservoir	97.60
	Total		\$97.60

OLD BUSINESS:

- **Insurance Review** – General Manager Albrecht advised that he and Karen Johnston had met with Mr. Bob Trompeter of Risk Resources, an insurance consultant whose services had been utilized several years ago. Mr. Trompeter agreed that it was too late to obtain alternative quotations to the proposal provided by West’s Insurance Agency. However, his services, which include analyzing coverages, limits, deductibles, etc., could be beneficial for next year. General Manager Albrecht indicated that Mr. Trompeter estimated the cost for his services to be approximately \$7,500. As there was no hurry to make a decision regarding this matter, it was agreed to wait until after the audit had been performed and presented to make any type of decision. Discussion of this subject followed.
- **North West Lake Michigan Planning Group:** General Manager stated that he had attended the meeting of this group the previous Thursday. He stated that there had been considerable discussion regarding contracting with the City of Waukegan to provide drinking water to the group. General Manager Albrecht discussed with the group their decision to work with the City of Waukegan rather than the District. The group seemed to

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take it for granted that they could be supplied by the District, however, General Manager Albrecht stated that there are many issues to be resolved before that could occur. He also went on to discuss the status of the MOU. This document will expire soon and the group is proposing extending it without changes. Barb Adams, the attorney for the group, has been directed to update the document and the board will be asked to approve it. In theory it should be the same with different dates. Further discussion of member communities and their financing possibilities followed, as well as the subject in whole.

- ➔ **Intake Pipe Inspection** – General Manager Albrecht stated that he and Operations Manager White are waiting for the inspection on the intake pipe. They have been advised that it is currently too difficult to see the pipe due to conditions in the lake. He hopes to have the inspection performed by the end of the week. The bents have been fabricated and are being stored at Lakeside Steel until installation takes place. Discussion of this subject followed.
- ➔ **Solids Contact Unit #2** – General Manager Albrecht stated that the foam insulation and painting still needed to be completed on this project. He also indicated that last fall the District had charged the contractor for 45 days of liquidated damages, in the amount of \$27,500. He stated that the contractor states that the foam insulation cannot be put on the tank unless it is dry and the overnight temperature is 50 degrees. There could also be more liquidated damages assessed. A discussion of this project followed.
- ➔ **Correll Co. Documents** – General Manager Albrecht stated that Correll Co. had sent documents to meet new federal rules and regulations regarding investment plans, which we available to board members at the previous month's meeting. They indicate that the District must have an investment policy in place and the documents indicate such. Trustee Jaeger made a motion to accept the updated documents, which Trustee Moe seconded. Upon a vote all were affirmative, except Trustee Mitchell who abstained. The motion was carried.
- ➔ **Clarifier Rust Issues**—At the previous month's meeting the board had inquired regarding warranty issues. Operations Manager White referred to his memo in the board packet on this subject and then discussed this subject extensively. He then discussed General Manager Albrecht's memo which explained the correspondence from CDM Smith and WesTech. The CDM Smith memo discusses moving ahead with the permit process moving of the chlorine feed system. Discussion of this subject followed. Trustee Jaeger made a motion to authorize General Manager Albrecht and Operations Manager White to proceed on this project and firm up a course of action, and keep the board informed, which was seconded by Trustee Mitchell. Upon a vote, all trustees voted in the affirmative except for Trustee Ruchti who voted nay. The motion was carried.
- ➔ **Rights of Ways** – Attorney Kucera stated that he had been corresponding with the IDNR regarding the rights of ways issue. He reviewed what had transpired so far. The IDNR has been telling him that the property is designated as nature preserve and essentially cannot be used for any other purpose. Attorney Kucera is still pursuing the rights of way and is in the negotiation process with nothing new to report. A discussion of this subject followed.

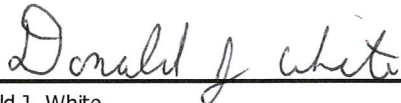
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NEW BUSINESS

- **1MG Reservoir Tank Painting**– General Manager Albrecht stated that this project is out for bids on June 6, 2012. He and Don hope to have a recommendation to present at the June board meeting. A discussion of this subject followed.

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

X 

Donald J. White
Board Secretary