

Minutes

November 13, 2012 – Board Meeting

On November 13, 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 Moe, Ruchti, Monk, Jaeger and Topcik were present. Trustee Mitchell arrived at 5:40 p.m. Also present were General Manager Albrecht, Operations Manager White, District Attorney Kucera, Administrative Assistant Karen Johnston, and guest speakers Mr. Brad West and Mr. Geoff Raef, 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 common expiration date for the workers' compensation insurance was changing from December 15, 2012, to January 1, 2013. The District is currently insured with the Illinois Public Risk Fund (IPRF) and had been for the past few years. Mr. West explained the premium computation, which is based on annual estimated payroll figures provided by the District. The renewal premium is \$17,114, which is a 3.4% increase. This was based on payroll figures provided by the District, however, these estimates should be lower than reported. Upon performing the final audit, they will be adjusted accordingly. Last year the IPRF issued a grant to the District for \$1,200 and will have \$1,800 in grant money available in June 2012, which is a 50% increase. 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 Moe, and carried unanimously. Mr. West and Mr. Raef left the meeting at 5:50 p.m.

Chairman Topcik stated that he would accept a motion to place the following items on a consent agenda and to accept that consent agenda. Trustee Ruchti requested that the Treasurers' Report be withdrawn. Chairman Topcik indicated that report would be withdrawn and requested that items 3, 4, 6, and 7 be placed on a consent agenda and that consent agenda be approved. Trustee Moe made that motion, which was seconded by Trustee Jaeger and unanimously carried. Trustee Ruchti questioned the total cash on the report. It appeared to be off by \$21.82, the amount of the interest in the O&M Investment account. It did appear that the report was off by this amount. Administrative Assistant Johnston indicated that she would correct this error and include a copy of the revised report at the December board meeting. Trustee Ruchti made a motion to accept the report with the correction, which was seconded by Trustee Monk and unanimously carried.

- 3) Minutes of October 9, 2012
Declassification of Executive Session Minutes of
- 4) Disbursements for November, 2012
- 5) End of month October, 2012 Treasurer's Report
- 6) End of month October, 2012 Budget Report
- 7) End of month October, 2012 Monthly Operation Summation

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OPERATIONS & MAINTENANCE ACCOUNT November, 2012 – Disbursements

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
2920	FICA Withholding Taxes (EE Portion)	Oct-12	2,184.20
2921	Federal Withholding Taxes	Oct-12	6,389.34
2922	IL Department of Revenue	Monthly Remittance	1,388.31
2923	WI Department of Revenue	Monthly Remittance	464.52
7205	FICA Withholding Taxes (ER Portion)	Oct-12	2,957.40
7211	ComEd	Electricity	17.02
7211	Integritys	Electricity	21,643.27
7215	McHenry Analytical	Sample Testing	205.00
7221	Hydrite	Chlorine shipment	1,732.00
7222	Ace Hardware	Misc. supplies	15.98
7222	W.W. Grainger	Misc. supplies	910.41
7222	Hach	Lab Supplies	1,122.92
7222	HD Supply	Misc. supplies	4,321.85
7222	McMaster-Carr	Misc. supplies	242.37
7222	Olson Service	Fuel for generator	287.09
7222	Smith Ecological	Misc. supplies	362.00
7222	Steiner Electric	Misc. supplies	202.89
7222	USA Blue Book	Misc. supplies	370.29
7222	Zion Auto Parts	Misc. supplies	472.16
7223	Campanella & Sons	Replace water meters	2,960.00
7223	HD Supply	Meter	3,700.00
7223	Lesman Instrument Company	Meters	959.92
7223	Mid-Town Petroleum	Maintenance oils	265.77
7223	Waukegan Roofing	Roof repairs	411.00
7225	Gordon Flesch	Maintenance fee	3.97
7225	Klean Korner	Janitorial Service	565.00
7231	GFC Leasing	Copier Lease	297.00
7232	Cimco	Telephone Service	1,383.60
7232	Verizon Wireless	Cellular Phone Service	206.67

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7234	Reliable	Office Supplies	401.60
7234	UPS	Shipping Charges	14.81
7235.2	AARP Medical	Medical Insurance for Diane Fragassi	224.25
7235.2	AARP Prescription	Prescription coverage for Diane Fragassi	34.20
7235.2	Cincinnati Insurance	Employee Life Insurance	883.00
7235.2	Humana Choice Care	Monthly Med/Dent Premium	5,128.22
7238	AWWA	2013 AWWA Membership Renewal	325.00
7238	WaterISAC	Water Security Network Renewal for 2013	200.00
7241	James Hamlin & Co.	Payroll Fees - 10/09/12-11/13/12	194.62
7242	Daniel J. Kucera	General Legal Services	1,689.90
7247	White, Dennis	Intake Pipe - Consultant	630.00
7251	Aramark Refreshment	Coffee Service	163.39
7251	Correll Co.	Investment fees	302.00
7251	Tony's House of Creations	Flowers	170.00
7251	Zee Medical	First Aid Supplies	50.10

FIRST BANKCARD

	Acct. #7223	Maintenance/Repairs	431.56
	Acct. #7234	Offices Supplies/Postage	74.99
	Acct. #7236	Transportation	192.16
	Acct. #7237	Meetings/Seminars	151.50
	TOTAL		\$67,303.25

R&R FUND EXPENDITURES

ACCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7275	Era Valdivia Contractors	IMG Tank Painting - Payout #2	123,480.00
	Total		\$123,480.00

CONSTRUCTION FUND EXPENDITURES

CCT #	VENDOR NAME	DESCRIPTION	AMOUNT DUE
7274	Tecorp	No. Solids Contact Unit - Final Payment	50,371.50
	Total		\$50,371.50

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ORDINANCES/RESOLUTIONS:

Revised Procurement Procedures Ordinance: The Chairman presented the following Resolution. The second paragraph on the last page was inserted "*When execution of a contract by the General Manager is required by this Ordinance, the Operations Manager may execute the contract in the event that the General Manager is not available.*" Discussion of the subject followed. Trustee Ruchti made a motion to accept the revised procurement procedures ordinance as presented, which was seconded by Trustee Mitchell. Upon a roll call vote, Trustees Mitchell, Monk, Ruchti, Moe, Jaeger and Topcik all voted aye, no nays, no abstainers, no trustees absent.

LAKE COUNTY PUBLIC WATER DISTRICT PROCUREMENT PROCEDURES ORDINANCE

WHEREAS, the Board of Trustees of the Lake County Public Water District desire to establish administrative procedures applicable to contracts for construction work and for the purchase or lease of supplies, equipment and facilities.

NOW THEREFORE, be it ordained by the Board of Trustees of the Lake County Public Water District as follows:

Chapter 1

WORK AND PURCHASE CONTRACTS

Section 1: All contracts involving expenditure of more than \$20,000 (or the amount indicated in the current Public Water District Act) for construction work or for the purchase of equipment as improvements, extensions or replacements shall require the prior approval by the Board of Trustees and shall be executed by the Chairman of the Board upon such approval.

Section 2: All such contracts shall be entered into only after public bidding, as required by Section 11 of the Illinois Public Water District Act.

Section 3: Expenditures of \$20,000 or less may be executed by the General Manager.

Chapter 2

WRITTEN CONTRACTS FOR PURCHASE OF SUPPLIES

Section 1: Written contracts for the purchase of supplies from one vendor involving an annual expenditure of not more than \$75,000 may be executed by the General Manager.

Section 2: Written contracts for the purchase of supplies from one vendor involving an annual expenditure of more than \$75,000 shall require prior approval by the Board of Trustees and shall be executed by the Chairman upon such approval.

Section 3: The General Manager shall exercise best efforts to obtain quality suppliers and supplies at reasonable costs, and shall recommend to the Board of Trustees that certain supplies be procured through public bidding when the General Manager believes such procedure would be beneficial to the District.

Chapter 3

LEASE CONTRACTS

Section 1: Leases of equipment involving an annual expenditure of not more than \$10,000 may be executed by the General Manager.

Section 2: Leases of equipment involving an annual expenditure of more than \$10,000 shall require the prior approval by the Board of Trustees and shall be executed by the Chairman after such approval.

Section 3: The reference to "leases" in this chapter is to true leases which are not lease purchase contracts. The latter shall be governed by Chapters 1 and 4 of this Ordinance.

Chapter 4

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CONTRACTS IN EMERGENCIES

Section 1: The Board of Trustees recognize that the District's objective is to provide safe, adequate and reliable water service to the District's customers. However, at times it is possible that emergency situations can arise. "Emergency situation" means any situation which unexpectedly threatens the safety, adequacy or reliability of the water supplied by the District to its customers.

Section 2: The Board may, at its discretion, pre-approve contractor(s) and suppliers for use in an emergency situation.

Section 3: In an emergency situation, the General Manager shall enter into such contracts as are reasonably necessary to maintain the safety, adequacy and reliability of the water supplied to the District's customers, without regard to the regular procedures stated in Chapters 1 through 3 herein. The General Manager shall obtain the co-execution of such contracts by the Chairman and/or Vice Chairman.

Section 4: Notwithstanding, the General Manager shall use best efforts to advise the Board of Trustees of the emergency situation and to obtain any prior Board approvals ordinarily necessary, if the emergency situation permits. In the event of such Board approval, the contracts so approved shall be executed by the Chairman and/or Vice Chairman.

Section 5: At its earliest opportunity, the Board of Trustees will adopt a Declaration of Emergency confirming the emergency situation, confirming the action taken by the General Manager and Board Chairman, and confirming the expected end date of the emergency situation.

Section 6: Upon the conclusion of an emergency situation, the General Manager shall make a full written report to the Board of Trustees of the emergency situation, the responsive action taken, and the contracts made.

Chapter 5

PROFESSIONAL SERVICES CONTRACTS

Section 1: The Board will procure architectural, engineering and land surveying services in accordance with the Illinois Local Government Professional Services Selection Act. That Act provides for a process of selection from a minimum of three providers of the one which is top ranked by the Board, subject to negotiation of a satisfactory agreement.

Section 2: The Board reserves the right to select other professional services in a manner substantially the same as that described in Section 1 of this Chapter, but is not obligated to do so.

Section 3: The Board reserves the right to establish a selection committee from its members, staff and customers.

Section 4: Notwithstanding Sections 1 and 2 of this Chapter, the Board reserves the right to select particular professional services from existing providers whenever it determines that it has a satisfactory relationship with such providers. Additionally, the District may select a particular provider without compliance with the process described in Sections 1 and 2 of this Chapter whenever an emergency situation exists and a provider must be selected in an expeditious manner, or the costs of the services are expected to be less than \$25,000.

Chapter 6

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MISCELLANEOUS

Section 1: When execution of a contract by the Chairman is required by this Ordinance, the Vice Chairman may execute the contract in the event that the Chairman is not available.

Section 2: When execution of a contract by the General Manager is required by this Ordinance, the Operations Manager may execute the contract in the event that the General Manager is not available.

Section 3: This Ordinance shall be in full force and effect from and after its passage and signature by the Chairman.

APPROVED:

(CORPORATE SEAL)



Chairman, Board of Trustees
Lake County Public Water District

ATTEST:



Secretary, Board of Trustees
Lake County Public Water District

PRESENTED AND READ: November 13, 2012
PASSED AND APPROVED: November 13, 2012

ROLL CALL VOTE:

Trustees voting Aye: Mitchell, Monk, Ruchti, Mae, Jaeger, Topik
Trustees voting Nay: None
Trustees absent: None

MOTION CARRIED

Old Business:

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- **Intake Pipeline Project:** General Manager Albrecht included a memo with drawings indicating his recommendations on what would be needed for this project for the coming year. He felt that six new bents would be needed for the intake pipe. He indicated that the cost was approximately \$40,000 for each bent, including installation. He reviewed the costs involved for the bents and their installation as well as costs by previous contractors. General Manager Albrecht proceeded to review the drawings as a means of informing the board of the state of the intake pipe. He discussed the possible sites for the installation of additional bents, as well as the location of the erosion of the sand. Discussion of this subject followed.
- **North Solids Contact Unit** –General Manager Albrecht stated that this project has been completed and there is still a balance due the contractor (Tecorp) on the contract. Tecorp is reluctant to issue a change order showing the liquidated damages. General Manager Albrecht stated that Attorney Kucera advised that the District could pay what is due, less the liquidated damages. Attorney Kucera advised that he didn't think a change order was essential. There is a contract which calls for payments less liquidated damages, should they arise. Chairman Topcik felt that if Tecorp has submitted all necessary paperwork, we should proceed to pay what is due. Discussion of the project followed. Trustee Mitchell made a motion to pay Tecorp the amount of \$50,371.50, representing the final payment on the contract, less \$66,000 in liquidated damages, which was seconded by Trustee Ruchti and unanimously approved.
- **Facility Plan Schedule** –General Manager Albrecht included a chart showing the depreciation for the Operations and Maintenance of the District. He explained how the intake work affected these items. Chairman Topcik advised that this has a significant effect on the customers' rates. Discussion of this subject followed.
- **Stainless Steel Rusting** – Operations Manager White indicated that the operators had completed the relocation of the chlorination feed point and installation of the chlorine monitor. He also stated that Baxter and Woodman had programmed the loop to make sure it is working correctly. He proceeded to walk through the progress on this project with the board. The District is waiting for Westech to come back with a schedule. He indicated that he was waiting for an operating permit from the EPA to put the chlorination point back in service. Discussion of this subject followed.
- **1 MG Tank Painting** –Operations Manager White stated that engineer on this project indicated that the contractor (Era Valdivia) was done on this project on November 4, 2012. However, Era Valdivia was actually substantially complete with this project on October 23 or 24. Operations Manager White stated that this contractor said they would beat the set schedule, which they did. He stated he was pleased with their performance. There are two outstanding items to be done that do not have to do with the operating of the tank. When they have been received, Era Valdivia will install. Discussion of this subject followed.
- **Trustee Travel Expense Reimbursement** – Attorney Kucera prepared at the board's request a draft trustee travel expense reimbursement policy. He asked that the board read and email any comments they may have to him. He will represent it at the December board meeting for the board's approval. Discussion of the subject followed.

New Business:

- **Rating of Gravity Filters** – General Manager Albrecht included a memo regarding the gravity filters. He explained their function, and what was required to increase the rating. He

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stated that Operations Manager White contacted, and was granted an increase in this rating by the IEPA resulting in a 25% increase in the filtration rate. Discussion of this subject followed.

- **Wauconda Referendum - General** Manager Albrecht advised that the Village of Wauconda had passed a referendum to allow for funding to provide Lake Michigan water for their municipality. Discussion of this subject followed.
- **Holiday Dinner** – Trustee Monk suggested that spouse be able to attend, at their own expense.

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

X Donald J. White

Donald J. White
Board Secretary